

# Monthly Newsletter

ETHOS VERIFY  
(PTY) LTD

March 2026



FOUNDER- MICAH GENGAN

## Governance, risk and credibility beneath transformation initiatives!

February did not create new risk. It exposed risk that has been sitting unmanaged.

- Corruption headlines intensified.
- Procurement failures resurfaced.
- Enforcement expanded: not because misconduct is new, but because oversight is tightening.

In a constrained global environment, governance weakness is exposed quickly.

**“Weak controls and informal practices become liabilities.**

**Accountability either stands on structure or it collapses.”**

This is where the Ethos mandate sits. We move transformation and compliance from reporting to governance discipline, from reactive correction to preventative architecture. The question is not whether corruption exists, or whether transformation is necessary. The question is whether our systems are built to prevent recurrence and withstand scrutiny.

*“Noise will always exist in this season, structure will determine who stands firm in the next few weeks.”*

*Micah Gengan*

In this newsletter you can expect:



Corruption exposure and systemic risk

Enforcement credibility and consequence architecture

Institutional reflection on transformation

Impact that withstands scrutiny

Editor's perspective

# Signal 1: When systems become marketplaces

Recent updates from the **Special Investigating Unit** relating to the **Department of Home Affairs** point to a long-running pattern: controls weakened to the point where administrative processes became tradable.

When identity systems are compromised, it is not administrative failure. It is institutional risk.

Similarly, arrests linked to alleged procurement fraud within the **Mpumalanga Department of Education** reinforce a recurring theme, procurement channels become extraction channels when oversight is procedural rather than independent.

Allegations involving contractors connected to **Eskom** and enforcement actions within **City Power Johannesburg** show the same pattern at operational level: discretion without containment.

These are not isolated incidents.

They reflect a deeper issue:

- Segregation of duties not rigorously enforced
- Weak supplier onboarding scrutiny
- Poor delivery verification controls
- Consequence management that lags exposure



The SIU says four Home Affairs officials earning less than R25,000 per month received more than R16.3 million in direct deposits linked to visa and permit approvals.



When frontline discretion overrides governance architecture, the institution becomes vulnerable.

**“Corruption is rarely loud at the beginning.**

**It looks like urgency.**

**It looks like “just push it through.”**

**Until it looks like a headline.”**

---

## SIGNAL 2: ENFORCEMENT INTENSITY IS INCREASING



“Credibility will be determined by consistent execution and demonstrable outcomes.”

Public messaging from government has strengthened around anti-corruption positioning.

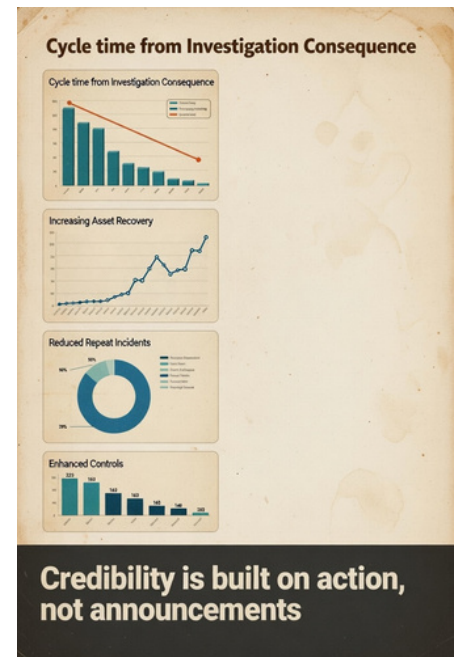
But credibility is not built on statements. It is built on:

- Cycle time from investigation to consequence
- Asset recovery
- Repeat incident reduction
- Control enhancement post-exposure

The test is not whether investigations occur.

The test is whether the system becomes harder to penetrate after exposure.

“Boards should not track announcements.  
They should track repeat failures.”



Boards do not build credibility by approving frameworks, they build it by insisting on measurable delivery, independent oversight, and consequence management when controls fail.

In the South African context, where scrutiny is rising and public trust is fragile, credibility is a strategic asset.

**“It lowers risk. It strengthens stakeholder confidence. It protects licence to operate.”**



### Signal 3: Global instability now carries a direct cost for South Africa

Events from Late Feb and early March 2026, particularly rising tensions involving Iran, have already shown up in oil price movements and renewed pressure on global shipping routes.

Global conflict does not stay “out there.” It filters into South Africa’s cost base through:

- Fuel price increases
- Higher freight and insurance premiums
- Shipping delays
- Imported input inflation
- More cautious investor positioning



Yes, some vessels reroute around the Cape of Good Hope. On the surface, that may look like opportunity.

In reality, the broader effect is cost pressure moving through the system.

When margins narrow and budgets tighten, governance is tested, in that pressure does not create weakness, it almost always reveals it. In constrained environments, the temptation to cut corners grows wider and corner-cutting exposes structural gaps.

“Over the next few weeks will see weak structures expose themselves further”



---

## Questions that Boards should be asking in 2026

**Questions Boards Should Be Asking — March 2026**

-  Where can money move quickly without friction?
-  Do we have independent verification where capital flows?
-  Can impact be interrogated consistently at executive level?
-  Are third parties governed as extensions of the institution?
-  Have we tested controls under pressure — or only documented them?

*If these questions cannot be answered with **evidence**,  
risk is accumulating silently.*



### Ethos Position

This moment does not call for louder rhetoric; it calls for stronger governance architecture. Where public and corporate capital intersect, independent oversight must be embedded, not optional. Early warning mechanisms should surface risk before media exposure does.

Governance layers must sit beneath transformation deployment, not hover above it. Monitoring must be linked to consequence, and empowerment instruments must be evaluated through a risk-weighted lens.

Transformation in 2026 must demonstrate institutional maturity. It cannot afford to be defensive, performative or reactive. It must be structurally defensible.

That is the signal beneath the surface.



---

## Signal 4: Institutional reflection: “Transformation under examination”

In February, the **Black Management Forum**, in collaboration with **Henley Business School Africa**, released a report examining the state and lived impact of transformation in corporate South Africa.

This is a significant moment.

When a body with moral standing in the transformation discourse partners with an academic institution to interrogate outcomes, it signals maturity.

The report surfaces difficult but necessary questions:

- Has transformation translated into durable economic inclusion?
- Has compliance overshadowed substance?
- Are empowerment instruments structurally resilient?
- Is value being built or redistributed temporarily?



This is not an attack on transformation, it remains the crossroads we've known the industry to be at for a number of years. The report echoes a profound statement

**“If transformation is to retain legitimacy, it must be demonstrably well governed.”**

Transformation is entering its institutional phase.



### Projected Outputs:

- Ownership structures must withstand value stress
- ESD capital must be protected from leakage
- Procurement must build capability, not dependency
- Impact must be measurable and interrogatable at board level

***The next era of transformation will not be judged by scorecard optics alone.***

***It will be judged by defensibility.***

## The Convergence

South Africa is experiencing a convergence of pressures: escalating corruption exposure, fiscal constraint, global instability, institutional reflection on transformation outcomes, and heightened investor scrutiny. This is not cyclical noise; it is structural compression. The country is not short of policy, it is short of structural defensibility. The risk is not that transformation fails in intent, but that it becomes performative if governance maturity does not advance alongside it. In a tightening global climate, with capital more cautious and scrutiny more exacting, weak institutional architecture will not withstand sustained stress.

---

---

## Editors Notes



**Micah Gengan** — Founder, Ethos Verify

Transformation is entering a credibility phase.

The emphasis is shifting from whether money is spent to whether outcomes are defensible. That shift is overdue.

For boards and executives, the question is no longer whether transformation obligations are met, but whether the structures beneath them would withstand scrutiny if challenged.

Ethos Verify operates in that space beneath the surface, where execution risk forms early and where credibility is either built or lost long before verification.

*Governance is no longer a support function in transformation. It is foundational to impact.*



## ABOUT ETHOS VERIFY

Ethos Verify provides independent governance and due-diligence oversight beneath transformation initiatives. Our work focuses on early risk visibility, defensible decision-making and the integrity of impact claims.

***Governance first. Impact follows.***

---