

MEDIA RELEASE	North West Department of Education R100 million ghost-employee payroll scandal: PSA rejects claims of “isolated incidents”
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The Public Servants Association (PSA) rejects attempts by the North West Department of Education to downplay the R100 million ghost-employee payroll scandal as “isolated incidents” linked to manual system limitations.

This narrative is misleading, dismissive, and fails to account for the magnitude and persistence of financial losses clearly exposed by the Auditor-General of South Africa (AGSA). The AGSA’s findings, outlined in Material Irregularity 01 of 2022/23, confirm that the Department recorded staff debts in its financial statements amounting to over R100 million, including salaries paid to people who had resigned, retired, or passed away. These payments are not minor procedural lapses and reflect a sustained breakdown in fundamental financial controls, human resource verification processes, and executive oversight. These functions are at the core of governance in any public institution, and such failures highlight systemic weaknesses.

The PSA noted with extreme concern the Department’s assertion that these incidents do not constitute a governance collapse. Losses of this magnitude over an extended period cannot be explained by isolated errors and demonstrate a pattern of negligence, weak supervision, and absence of consequence management. A system that allows such leakage to persist reflects deep institutional failure. The Department’s reliance on manual processes as justification further exposes a lack of proactive leadership. Internal controls are designed to operate effectively, regardless of whether systems are manual or automated. Regular audits, reconciliations, and verification protocols mandated by the AGSA should have detected and prevented these irregular payments. These failures indicate that controls were ignored or ineffective.

The PSA further raises concern regarding the absence of transparency on disciplinary action. There is no evidence that officials responsible for authorising, processing, or failing to detect these payments have been held accountable. This silence undermines public confidence and reinforces a culture where negligence carries no consequence. The introduction of improved technology does not address the core issue of accountability. Systems do not govern institutions - people do. Without decisive action against those responsible, the risk of recurrence remains high, regardless of system upgrades.

In line with AGSA’s findings and recommendations, the PSA reiterates the Union’s demand for urgent intervention. The Head of Department and Chief Financial Officer must take responsibility and vacate their positions immediately.

A comprehensive forensic investigation must be instituted to determine the full extent of the irregularities and whether fraudulent activity was involved. All implicated officials must be suspended pending the outcome of investigations. Public funds must be safeguarded with the highest level of integrity. The people of North West deserve accountability, not explanations that minimise serious governance failures.

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