

MEDIA RELEASE	PSA alarmed by lack of investigations into R62 billion municipal irregular expenditure
DATE	17 March 2026
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The Public Servants Association (PSA) is alarmed by revelations that South African municipalities have accumulated R62 billion in irregular expenditure over the past five years, with 99% written off or condoned without proper investigation, as confirmed by Auditor-General (AG).

According to the AG's briefing to the Standing Committee on the Auditor-General, municipalities routinely failed to conduct credible investigations before writing off irregular expenditure, with some municipalities approving write-offs without obtaining council approval. The AG also highlighted that at the end of 2024, 80% of irregular expenditure cases remained unresolved, revealing a deeply entrenched culture of impunity in local government. The PSA condemns this situation as a gross betrayal of public trust, whilst communities are facing collapsing infrastructure, unreliable water supply, unsafe roads, and declining service delivery. Funds lost through irregular procurement practices directly undermine the ability of municipalities to deliver essential services to South Africans.

It is particularly concerning that in cases where investigations were conducted, these were often flawed, incomplete, or improperly scoped, failing to identify liable officials or recover losses, as seen in municipalities such as Nelson Mandela Bay, Renosterberg, and Mkhanyakude. The PSA noted with serious concern the AG's finding that Municipal Public Accounts Committees (MPACs) are failing to perform oversight duties, allowing misconduct to persist unchecked. This failure of consequence management reflects a fundamental breakdown in municipal governance. The PSA rejects the normalisation of irregular expenditure and the widespread misuse of administrative write-offs, referred to by civil-society watchdogs as a "certificate of death" for accountability.

The PSA calls for an immediate, independent forensic investigation into all irregular expenditure that was written off without thorough scrutiny, accountability measures against municipal managers and officials who failed to comply with oversight and financial management laws, strengthened MPAC capacity, ensuring oversight structures can perform statutory duties, recovery processes to reclaim losses where officials were found liable, and national intervention in municipalities exhibiting persistent financial mismanagement. Government cannot continue to ignore a crisis of this magnitude. Weak financial controls and the absence of consequence management have eroded public confidence and critically weakened local governance.

The PSA will continue to monitor the situation closely and will engage with national oversight bodies, including Parliament and the Auditor-General's office, to ensure that accountability is restored and that public funds are protected.

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