

MEDIA RELEASE	PSA dismayed by Compensation Fund's alleged loss of more than R71 million amidst looting claims
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EMBARGO	None
ENQUIRIES	communication@psa.co.za

The Public Servants Association (PSA) is dismayed by the disappearance of millions of rands from the Department of Employment and Labour's Compensation Fund

The Auditor-General made these revelations in Parliament where it was highlighted that missing documents were uncovered, including fraudulent bank account changes and critical cyber flaws. It appears that the system was intentionally designed to enable looting of the Fund, which uses a system that is not encrypted and without proper controls in place.

The PSA, representing more than 250 000 public-sector employees, extremely concerned that ongoing governance failures at the Compensation Fund have directly resulted in the loss of millions of rands of taxpayers' money. A toxic combination of outdated cyber systems, a complete breakdown in record management, and unchecked internal fraud continues to compromise state resources. The state cannot expect citizens to endure economic hardships whilst vast amounts of money are wasted through institutional incompetence and digital negligence.

Systematic vulnerabilities currently plaguing the Fund have created a playground for syndicates and corrupt people, operating with absolute impunity whilst service delivery grinds to a halt. Despite repeated warnings by the PSA through departmental bargaining chambers regarding the vulnerability of the digital system, the Department has failed to deploy security measures. This lack of cyber resilience has left data servers exposed, leading to unauthorised digital intrusions. Failure to maintain basic standardised document management protocols has severely undermined executive accountability.

The PSA calls on the Minister of Employment and Labour to urgently overhaul departmental IT infrastructure and immediately deploy strict biometric authentication on financial authorisations. The PSA further calls for immediate consequence management against any person for negligence and facilitating fraudulent transactions.

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