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SPEECH

MINISTER MACPHERSON WITHHOLDS EPWP FUNDING TO ETHEKWINI FOR NEXT FINANCIAL YEAR PENDING CORRECTIVE ACTION FOLLOWING AUDITOR-GENERAL FINDINGS

(Note to editors: The following address was delivered by the Minister of Public Works & Infrastructure, Dean Macpherson, at a press briefing on the status of the Expanded Public Works Programme (EPWP) in the eThekweni Metropolitan Municipality, held in uMhlanga, KwaZulu-Natal, on 14 April 2026. He was joined by the KwaZulu-Natal MEC for Public Works and Infrastructure, Martin Meyer, and the Deputy Director-General responsible for the EPWP, Carmen-Joy Abrahams.)

- Public Works & Infrastructure Minister Dean Macpherson has directed that EPWP funding to the eThekweni Metropolitan Municipality be withheld for the 2026/27 financial year pending urgent corrective action following material irregularities identified by the Auditor-General.
- The Auditor-General found payments made for services not rendered, including to ghost, deceased and ineligible beneficiaries, with the municipality failing to act on these findings since the 2021/22 audit cycle - making the current situation entirely avoidable.
- The Minister has given the municipality 30 days to pass a council resolution to investigate the matter, implement a corrective action plan, and institute disciplinary and criminal proceedings, as part of efforts to safeguard public funds and restore the integrity of the EPWP.

We are here today because the matter before us is serious.

It is serious not only because it concerns public money.

It is serious because it concerns money that was meant to support poor and unemployed South Africans through work opportunities created across government programmes, including through the Expanded Public Works Programme.

The EPWP is not funded by a single source but through a framework applied across government programmes, where work opportunities are created using a combination of existing budgets, including municipal funds, infrastructure grants and EPWP incentives.

It is meant to be a poverty alleviation programme.

It is meant to give hope to people in communities where opportunities are scarce, where households are under pressure, and where even a short-term work opportunity can mean the difference between survival and despair.

For many people, EPWP is the difference between food and no food.

It is the difference between a household making it through the month or not.

That is why any abuse of this programme is so deeply offensive and undermines the people of South Africa.

Because when EPWP is abused, it is not only taxpayers who are being robbed.

It is the poorest South Africans who are being robbed.

It is the unemployed person who should have received an opportunity, but did not.

It is the struggling family that was denied support because someone manipulated the system for personal or political benefit.

And that is why we are here today.

On 8 April 2026, I formally received correspondence from the Auditor-General of South Africa regarding a material irregularity identified in eThekweni Metropolitan Municipality's administration of the EPWP in the 2021/22 financial year.

The irregularity relates to payments made for services not rendered, in contravention of section 65(2)(a) of the Municipal Finance Management Act.

This means that the municipality was unable to provide verifiable records, including attendance registers and supporting documentation, to demonstrate that work was actually performed by the individuals who were paid.

The Auditor-General's findings indicate that the municipality's database included ghost beneficiaries, deceased beneficiaries, beneficiaries employed elsewhere in government, and beneficiaries with no valid identity numbers.

It is important to clarify the institutional roles within the Expanded Public Works Programme.

While departments, including Public Works, may implement EPWP projects as public bodies, the EPWP Branch functions as the national coordinating unit.

It does not implement projects, appoint beneficiaries, or make payments.

These responsibilities rest with each implementing public body, including municipalities, in relation to their own projects.

It must be noted that the Department of Public Works and Infrastructure, as the national coordinator of the EPWP, applies data validation controls at the point of reporting to identify anomalies.

However, responsibility for the accuracy, completeness and verification of beneficiary data rests with the implementing public body

Let us be very clear about what that means.

It means a programme intended to support vulnerable people appears to have been used to channel public money to people who should never have been paid in the first place.

This tarnishes the name of the EPWP.

It means there was a failure of basic controls.

It means there was a breakdown in controls and oversight at the implementing level.

And it means that funds intended for legitimate beneficiaries may have been diverted away from the very people EPWP is meant to serve.

What makes this even more serious is that these concerns are not new.

According to the Auditor-General, this material irregularity was identified during the 2021/22 audit cycle.

The municipality was notified, recommendations were made, and opportunities were provided for corrective action.

Yet the Auditor-General concluded that the recommendations were not adequately implemented within the stipulated period, and that appropriate action was not taken to address the material irregularity.

This situation was entirely avoidable.

Had the municipality implemented the remedial actions required by the Auditor-General when these findings were first raised, and had there been a properly functioning EPWP office with the necessary controls and oversight in place, we would not be standing here today.

Instead, what we are dealing with now is the consequence of inaction, weak administration, and a failure to take seriously the responsibility of safeguarding public funds.

In other words, this is not a case where the municipality was unaware.

This is not a case where the problem appeared yesterday.

This is a case where serious concerns were raised, but not properly dealt with over a prolonged period of time.

And when repeated warnings are ignored, accountability can no longer be delayed.

As the custodians of the EPWP at national level, we have a duty to protect the integrity of the programme and to safeguard public funds.

It is also important to acknowledge that, over the past three years, communication between the Department and the municipality on EPWP matters has deteriorated significantly.

We have experienced ongoing challenges in establishing consistent, effective communication, which has made it increasingly difficult to resolve issues proactively and ensure proper oversight.

This breakdown in coordination has further contributed to the situation we are confronting today.

We do not have the luxury of looking away.

We do not have the option of doing nothing.

And we certainly should not continue transferring funds as though nothing is wrong.

That is why I have directed to withhold EPWP fund transfers to eThekweni Metropolitan Municipality in the new 2026/27 financial year until the necessary corrective action has been taken by the Municipality and the Department is satisfied that public funds will be protected - and that the Council implements urgent action to protect the programme and hold those officials responsible for non-compliance.

This decision was not taken lightly.

But it is a necessary decision.

It is necessary because the law requires accountability when public funds are placed at risk.

The municipality, in terms of the Municipal Finance Management Act and the EPWP regulatory framework, is solely responsible for its expenditure controls, payroll systems, beneficiary management, record keeping and consequence management.

The Department does not have direct access to, or control over, municipal payroll systems or payment processes.

The Auditor-General, in terms of the Public Audit Act and the material irregularity process, has already escalated this matter because the municipality failed to adequately act on prior recommendations.

And the Department of Public Works and Infrastructure, as the national department responsible for the EPWP and its grant framework, must now act to ensure that further funds are not exposed to abuse.

Where material irregularity is identified, the national department cannot correct the underlying transactions, but it is obligated to act to prevent further exposure of public funds.

So, when we say we are suspending transfers, we are not acting outside the law.

We are acting because the law, the evidence, and our duty to the public leave us with no other responsible choice.

Let me also be clear about what must now happen.

The eThekweni Metropolitan Municipality must, within 30 days, ensure that a council resolution is passed to deal comprehensively with this matter.

Why is a council resolution required?

Because this cannot be handled as an informal administrative exercise.

It cannot be reduced to promises made in meetings, or vague assurances from officials.

A council resolution is required because the allegations go to the heart of municipal governance, financial oversight, and institutional accountability.

It is the mechanism through which the municipality must formally bind itself to a clear course of action.

It is the mechanism that ensures this matter is not treated as the responsibility of one official alone, but as a matter requiring the full authority and oversight of council.

And it is the mechanism that creates an official, reviewable and enforceable basis for remedial action, monitoring and consequence management.

That resolution must endorse, at a minimum, three things.

First, it must endorse a full investigation into the allegations and findings identified by the Auditor-General.

Second, it must endorse a detailed remedial action plan, with clear timeframes, responsibilities and reporting lines, to address the failures that allowed these irregularities to occur.

And third, it must support the institution of disciplinary and, where appropriate, criminal action against any officials or individuals found to be responsible.

This is not optional.

This is required if there is to be any prospect of restoring integrity to the programme in eThekweni.

The municipality must quantify the loss.

It must determine who benefited improperly.

It must take all reasonable steps to recover funds improperly paid, in line with applicable financial misconduct and recovery processes.

It must institute disciplinary action where wrongdoing is identified.

And where criminal conduct is suspected, cases must be opened with law enforcement authorities.

This is the minimum we require from the municipality as a way to show us that they are serious about protecting public funds and EPWP so that we are comfortable to restore funding.

Anything less would amount to tolerating the abuse of one of South Africa's most important poverty alleviation programmes.

I also want to say this: what has happened in eThekweni reinforces exactly why we have embarked on broader reform of the EPWP.

For too long, weaknesses in administration at implementing public bodies, opaque recruitment processes, and weak verification systems have left the programme vulnerable to manipulation.

That must end.

We are working to modernise the programme through stronger digital systems, better verification processes, and real-time oversight tools that reduce the space for abuse by corrupt officials.

The EPWP must work for the unemployed person standing in line for an honest opportunity.

It must not work for the politically connected.

It must not work for ghost names on a spreadsheet.

And it must certainly not work for those who see public employment programmes as vehicles for patronage and theft.

The people of South Africa deserve better.

The people of eThekweni deserve better.

And the many honest EPWP participants across this country deserve better too.

Because let us remember: the existence of abuse in one municipality does not erase the importance of the programme itself.

The EPWP remains vital.

It remains necessary.

And when administered properly, it can provide meaningful work opportunities, valuable skills, and real support to struggling communities.

Our responsibility, therefore, is not to abandon the programme.

Our responsibility is to restore its credibility.

Our responsibility is to ensure that every rand meant for the poor reaches the poor.

Our responsibility is to make sure that those who abuse the programme face consequences.

That is the standard we are setting.

That is why we are acting.

And that is why we will not allow this matter to be buried, delayed, or explained away.

In closing, let me say this:

This decision is about more than eThekweni.

It is about whether government is willing to defend the integrity of programmes meant for the most vulnerable.

It is about whether we are serious about clean governance.

And it is about whether we are prepared to act when abuse is uncovered.

I am.

This Department is.

And we will continue to do everything necessary to protect the EPWP, protect public money, and protect the interests of the people this programme was meant to serve.

If similar abuse of EPWP funds is identified in any public body, I will act accordingly.

The EPWP is too important to be captured by corruption.

It is too important to be weakened by poor controls.

And it is too important to fail the people who depend on it.

Thank you.

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