Date: 13 August 2026

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To: Auditor-General South Africa
National Treasury

Subject: Urgent Request for Intervention – Proposed Write-Off of Approximately R23 Billion in UIFWE by Nelson Mandela Bay Municipality

Good day

I write to request the urgent intervention and assistance of the Auditor-General South Africa and National Treasury regarding the process currently being followed by Nelson Mandela Bay Municipality in relation to the proposed write-off of approximately R23 billion in Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred between 2009 and 2021.

The matter was presented to the Municipal Public Accounts Committee (MPAC) at a meeting held today, 13 August 2026, as a late item/flyer. Given the magnitude of the amount involved, I am deeply concerned that the matter is being advanced without the level of scrutiny, investigation and oversight that should reasonably be expected.

Concerns have also been raised regarding proper notice and compliance with the applicable rules and procedures governing the meeting and the tabling of the item.

More concerning, however, is that MPAC members were afforded approximately 30 minutes to consider documentation relating to approximately R23 billion in UIFWE. A supporting affidavit exceeding 500 pages was not presented to members at the meeting. In my view, it is impossible for councillors to meaningfully interrogate an amount of this magnitude within such a limited period, particularly where the supporting documentation has not been properly made available for consideration.

It appears that the Municipality is attempting to deal with UIFWE accumulated between 2009 and 2021 as a consolidated amount, rather than first ensuring that the individual instances of UIFWE have been properly investigated and subjected to the required reporting, accountability, consequence management and preventative measures.

Of particular concern is the absence of the required Section 32 reports in terms of the Municipal Finance Management Act (MFMA) before MPAC. These reports are fundamental to allowing the committee to understand the circumstances surrounding the expenditure and to exercise meaningful oversight.

I fully acknowledge that the Municipality must address its longstanding UIFWE backlog. However, addressing the backlog cannot simply mean consolidating approximately R23 billion and seeking to write it off without proper scrutiny of the underlying expenditure and without establishing whether those responsible have been held accountable.

It is further concerning that the Chief Financial Officer was not present at the MPAC meeting to provide financial guidance and clarification on a matter involving billions of rand in municipal expenditure.

There is also a serious governance concern where the item and recommendations have been prepared by officials, while officials who remain employed by the Municipality may potentially have been involved in some of the matters forming part of the UIFWE under consideration. This raises legitimate concerns regarding independence, accountability and consequence management.

I am also concerned that previous guidance and input from National Treasury regarding the appropriate oversight process does not appear to have been adequately reflected in the process currently being followed.

I am therefore formally requesting the urgent intervention and assistance of National Treasury and the Auditor-General South Africa to ensure that this matter is dealt with in accordance with the applicable legislative and financial management framework and that proper oversight and accountability are not compromised.

I respectfully request that your offices urgently assist in ensuring that the proposed write-off does not proceed to Council until the necessary oversight and investigative processes have been properly completed.

The matter is expected to be tabled before Council 25 August 2026. There is therefore limited time available to address these concerns before the matter is potentially approved.

The amount involved is approximately R23 billion of public money. It is simply not reasonable, in my view, for such a significant matter to be considered by MPAC in approximately 30 minutes, without the full supporting documentation being properly considered and without the necessary Section 32 reporting and accountability processes being undertaken.

This is not an attempt to prevent the Municipality from dealing with its UIFWE backlog. It is a request to ensure that R23 billion in public expenditure is not written off without proper investigation, oversight and accountability.

I respectfully request your urgent assistance and intervention to ensure that this matter is dealt with in accordance with the applicable legislative and financial management framework, and that the Municipality is not exposed to unnecessary legal or financial risk as a result of a process that may not have been subjected to the required oversight and scrutiny.

I would appreciate an urgent response given the imminent Council deadline.

GJS Engelbrecht

Whip of Caucus of the Democratic Alliance in NMB

Member of Municipal Public Accounts Committee

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