the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

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CIRCULAR NO 36 OF 2025

TO: ALL HEADS OF NATIONAL/ PROVINCIAL DEPARTMENTS, PROVINCIAL ADMINISTRATIONS, AND GOVERNMENT COMPONENTS

MANDATORY PHYSICAL VERIFICATION OF PERSONNEL ON THE HUMAN RESOURCE AND PAYROLL SYSTEMS AND UPDATING OF ELECTRONIC RECORDS

1. The purpose of this Circular is to direct all departments to undertake a comprehensive physical verification of personnel to identify and eliminate potential ghost employees and safeguard the integrity of the human resource (HR) and payroll management systems.

2. Under sound governance principles and the applicable legal and regulatory frameworks governing public administration, it is critical to maintain accurate and credible data and personnel records. The presence of individuals on the payroll system who departments do not actively employ constitutes a serious risk to public resources and places undue pressure on the national fiscus and the broader economy.

3. In terms of Regulation 70 of the Public Service Regulations, 2016 (PSR), the Head of Department is required to maintain records of each employee and every post on the approved establishment, by information standards determined by the Minister. It is therefore the responsibility of the Accounting Officer to ensure the integrity of HR data and to implement adequate controls to mitigate risks associated with unaccounted-for personnel, especially in the context of limited financial resources.

4. Departments are required to conduct a physical verification exercise of all personnel currently listed on their payroll, including interns, special advisors, traditional leaders, board members, and any other allied occupations or allied persons. The verification process must include, but is not limited to, the following:

a) Employment must be confirmed against approved posts on the departmental establishment, as well as in cases of appointments made in addition to the establishment. For this purpose-
   i. **South African citizens**: The original South African Identity Document must also be used.
   ii. **Foreign nationals**: The original Passport and a valid Work Permit must also be used.

b) Such confirmation must also consider verifying whether appointed officials have signed performance agreements/contracts.

c) Verification of project-based personnel and the duration of the project, including alignment with actual expenditure and demonstrable work outputs.

d) Physical presence of employees at their designated duty stations as and when required by the Department for this purpose.

e) Mandatory payroll report verification and sign-off by individuals, the relevant line or the responsible managers, as well as quality assurance by the CFO or delegated officials as directed by the PFMA.

f) Attendance records and signed validation from the head of each Directorate / Chief Directorate / Branch.

g) The Departments must, with effect from the date of issue of this circular, conduct a physical verification of all employees and submit a consolidated verification report to the DPSA no later than 28 February 2026.

h) Updating of all relevant records on the HR and payroll management systems.

5. The verification exercise conducted by departments may be subjected to an independent body to confirm authenticity.

6. Each department must implement and maintain robust internal control mechanisms to confirm the employment status and existence of all personnel, including those appointed to the establishment and additional to the establishment. These control measures must include clear accountability protocols to ensure the accuracy of verification outcomes and the credibility of submitted reports.

7. The Head of Department/ Director-General must sign off a formal confirmation report of the physical verification process and submit it to the Director-General of the Department of Public Service and Administration (DPSA). The report must include:
   a) Outcome of the physical verification exercise.
   b) The total number of personnel on the departmental payroll, including all natures of appointment.
   c) The number of personnel physically verified.
   d) The number of personnel not physically verified, including reasons for non-verification; remedial action plans to complete the verification process within three (3) months of the confirmation.

e) The number of potential ghost employees identified, including remedial action taken (freezing of salaries and service terminations; immediate consequence management measures implemented).

f) A list of personnel numbers with salaries frozen and services terminated because of the physical verification process.

g) Confirmation that payroll records have been updated and data has been cleaned accordingly.

h) Confirmation that acts of corruption were reported to the police.

i) A report of misconduct cases emanating from criminal investigations.

8. The DPSA reserves the right to conduct unannounced physical verification audits of any department at any given time. Where unverified personnel are found to have been remunerated, departments will be required to provide full accountability for these payments. Such matters may be escalated to appropriate governance bodies and oversight institutions for investigation and further action(s) internally and where necessary and/or applicable externally, including but not limited to criminal investigations and/or prosecutions.

9. Departments must guarantee the successful implementation of the approved organisational structures (which should exclusively include funded positions) that have been consulted with the Minister for the Public Service and Administration (MPSA), by Regulation 25(2) and the Organisational Design (OD) Directive on changes to the organisational structures by the departments.

10. All existing unfunded posts on the HR and payroll management systems must be abolished, and no unfunded posts must be captured on these systems after consultation with the MPSA and the approval of the organisational structure by the relevant Executive Authority (EA).

11. Where the creation of posts is based on the redirection of funding from an abolished redundant post to the other, the affected post must first be repealed; thereafter, the details of the newly funded post must be captured on the approved organisational structure and PERSAL/ PERSOL.

12. All departments must apply remedial action by:

    a) Freezing of payments pending further investigation.

    b) Termination of service using service termination type "Ghost employee".

    c) Conduct an urgent internal audit of the payroll system, HR records, including verification of bank account records.

    d) Disciplinary measures against the responsible employees.

    e) Measures to recover the funds where ghost employee payments were made.

f) Updating of all relevant records on the HR and payroll management systems.

13. For further enquiries, please consult the following officials:

Function	Contact Person	Contact Details
Systems (PERSAL)	Ms Ronelle Brandt	012 336 1446 / Ronelleb@dpsa.gov.za
Organisational Development	Mr Oscar Tshivhase	012 336 1469 / Oscar.Tshivhase@dpsa.gov.za
Remuneration	Mr Samson Radebe	012 336 1569 / Samson.Radebe@dpsa.gov.za
Employment Management	Mr Bafana Malaza	012 336 1244 / Bafana.Malaza@dpsa.gov.za
Disciplinary Matters	Adv. Matilda Shaku	012336 1462 / Matilda.Shaku@dpsa.gov.za

14. Departments are reminded that in terms of Section 15(5)(a) of the Public Administration Management Act, 2014, when an institution discovers an act of corruption, such corruption must immediately be reported to the police for investigation, as per applicable law. Section 15(5)(b) also requires departments to report issues of misconduct emanating from criminal investigations to the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit and the head of the relevant institution for initiation and institution of disciplinary proceedings.

15. Non-compliance with this Circular will be reported to the relevant oversight authorities and will trigger enforcement under Section 16(B) of the Public Service Act, 1995.

Yours sincerely,

Mr Willie Vukela
Acting Director-General
Date: 07/09/25