**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 2861**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 15/09/2017**

**(INTERNAL QUESTION PAPER 33 OF 2017)**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education and Training:**

1. How many universities have their National Student Financial Aid Scheme grants distributed by a private company and (b) in each case, (i) what fee is paid to each private company and (ii) what are the relevant details of cases of (aa) purposeful fraud and/or (bb) accidental loss of funds that have occurred?

**NW3168E**

**REPLY:**

The National Student Financial Aid Scheme (NSFAS) has provided the following responses:

1. Twenty-two universities currently have their NSFAS allowances disbursed by a private company. Five of these universities, namely the Durban University of Technology, Nelson Mandela University, Sol Plaatje University, University of South Africa and University of Venda make use of the NSFAS allowance disbursement system, sBux.
2. (i) The institutions do not pay any fees for the disbursement to the service providers. The service providers charge merchants a service fee, based on their respective contractual arrangements. For institutions using sBux, NSFAS does not pay the service provider any fees. The service provider, Celbux, charges registered merchants a service fee which is based on the value of the transactions.

(ii) NSFAS is not aware any cases of purposeful fraud with regard to universities contracting with their respective service providers. NSFAS has a fraud hotline in place for anonymous reporting of suspicious or potentially fraudulent incidents. Appropriate action is taken against students or merchants where any transgression have been identified. Additionally, students report matters to the South African Police Service who investigate the matters.

**COMPILER DETAILS**

NAME AND SURNAME:

CONTACT:

**RECOMMENDATION**

It is recommended that the Minister signs Parliamentary Question 2861.

MR GF QONDE

DIRECTOR–GENERAL: HIGHER EDUCATION AND TRAINING

DATE:

PARLIAMENTARY QUESTION 2861IS APPROVED / NOT APPROVED / AMENDED.

COMMENTS

PROF HB MKHIZE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

DATE: