

*20 years of democracy*



# Annual Report 2014

**Presentation to the Portfolio Committee  
on Higher Education and Training**

16 October 2014



**NSFAS**

National Student Financial Aid Scheme

# Presentation overview

- NSFAS Annual Report 2014
  - Board Chairperson's Report
  - Executive Officer's Report
  - Annual Financial Statements
  - Annual Performance Report

# Board Chairperson's Report

In terms of the NSFAS Act (56 of 1999), NSFAS is a public entity which has 7 functions:

- To develop criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister
- To raise funds
- To allocate funds for loans and bursaries to eligible students
- To recover loans
- To maintain and analyse a database and undertake research for the better utilisation of financial resources
- To advise the Minister on matters relating to student financial aid
- To perform other functions assigned to it by the NSFAS Act or by the Minister



# Board Chairperson's Report

In the year under review, NSFAS has made significant progress in carrying out this mandate:

- All board positions were filled and all board committees were fully functional, improving governance and accountability
- The Transformation Programme for new student-centred model was initiated and Phase One was implemented as planned
- Comprehensive policies for IT governance, systems and operations, financial and human resources management were implemented
- Executive managers were appointed
- An unqualified audit was achieved for the fourth year in succession since embarking on the organisational turnaround

# Board composition & committees

**Board – 18 appointed and co-opted members**

**The Board held 5 meetings in 2013**

**5 Board committees were fully functional during 2013**

- **Executive Committee - 6 meetings**
  - Chairperson: Mr Zamayedwa Sogayise
- **Finance Committee - 5 meetings**
  - Chairperson: Mr Nathan Johnstone
- **Audit and Risk Committee - 6 meetings**
  - Chairperson: Mr Stephen Smith
- **Information and Communications Technology Committee - 8 meetings**
  - Chairperson: Dr Tim Brown
- **Human Resource and Remuneration Committee - 4 meetings**
  - Chairperson: Ms Sibongile Masinga



# Executive Officer's Report

- The core business of NSFAS is to allocate funds for loans and bursaries to eligible students.
- In 2013, disbursements increased from R7,7 billion to R8,7 billion - an increase of R1 billion over 2012.
- The number of students assisted in 2013 increased to 416 174 in line with the funding increase from DHET and other departments.
  - This is an increase of 33 231 students on the 2012 total 382 943 students

# Executive Officer's Report

- The NSFAS Act requires the entity to:

“Develop criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister...”

- This mandate was achieved in 2013 by:
  - Laying the foundation for the Transformation Programme
  - Procuring a new loans and bursaries management system to replace the old TEFSA system used since 1991
  - Appointing staff to manage the increasing funds

# Annual Financial Statements

The Annual Financial Statements (p41) show in detail what NSFAS does and how it fulfils its mandate. The following are some highlights from the year under review:

- In 2013, NSFAS distributed financial aid of R8,7 billion to 416 174 students – an increase of 8,60% from 2012
- NSFAS provided funding to students at the 23 public universities in 7 provinces and 50 public Technical and Vocational Education and Training (TVET) colleges in all 9 provinces
  - University students 194 923
  - TVET college students 220 978
  - A total of 464 students at agricultural colleges and the two National Institutes of Higher Education also received funding.





# Annual Financial Statements

Since inception, NSFAS has provided R41,5 billion in student financial aid to 2 172 615 students.

NSFAS contributes to free education for students from poor and working class families by providing full bursaries and converting loans to bursaries to incentivise good academic performance.

	Amount provided
Final Year Programme	R 1,1 billion
TVET College bursaries	R 1,9 billion
60/40 Loans converted to bursaries	R 1,3 billion
Other bursaries –NSF, Funza, Setas etc.	R 2,0 billion
<b>TOTAL</b>	<b>R 6,3 billion</b>

# AFS Balance Sheet

Cash	R1,8 billion
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Prepayments	R649 million
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Student loans	R7,4 billion
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- Current R580 million
- Non current R 6,8 billion
- Loans R 18,5 billion

Fixed assets	R 62,1 million
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- PPE R 13,4 million
- Intangibles R 48,6 million

Payables	R 27,5 million
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# Expenditure

Operational expenses	R 51,8 million
Salaries	R 65,8 million
Transformation programme	R 1,9 million
Audit fees	R 9,9 million
Computers	R 5,2 million
Consulting fees	R 5,8 million
Travel and subsistence	R 4,9 million
Storage and scanning	R1,4 million

# Annual Performance Report (p15)

## Strategic Goal 1 – achieved

<p><b>STRATEGIC OUTCOME ORIENTED GOAL 1</b></p>	<p><b>AN EFFICIENT AND EFFECTIVE PUBLIC ENTITY IN STUDENT FINANCIAL AID AND ADMINISTRATION</b></p>
<p><b>GOAL STATEMENT</b></p>	<p>Develop a comprehensive policy, procedure and governance framework (in line with the ministerial review of 2009) to support the new transformation strategy by 30 June 2012 and implement by 31 March 2013</p>
	<p>Achieve a competency-based people model that attracts, develops and retains appropriate talent by 31 March 2013 through a comprehensive skills audit and gap analysis</p>
	<p>Implement an agile, fully integrated information technology and organisational systems architecture by 31 March 2013 to support NSFAS's new operating model and loan management system</p>
	<p>Plan and implement effective and efficient processes and operations to ensure stakeholder objectives are achieved by 31 March 2013</p>
<p><b>PERFORMANCE INDICATOR</b></p>	<p><b>NSFAS RECEIVES AN UNQUALIFIED AUDIT REPORT ANNUALLY</b></p>



## Strategic Goal 2 - achieved

<b>STRATEGIC OUTCOME ORIENTED GOAL 2</b>	<b>ACCESS, SUCCESS AND PROGRESSION TO CONTRIBUTE TO IMPROVING BOTH THROUGHPUT AND PASS RATE</b>
<b>GOAL STATEMENT</b>	Increase access to funding for eligible students by creating a student-centred loans and bursaries model through improved marketing and communications support for students and a central applications process via regional offices by 31 March 2013
<b>PERFORMANCE INDICATOR</b>	<b>INCREASED TOTAL NUMBER OF STUDENT LOANS AND BURSARIES</b>

In 2013, the number of students assisted increased to 416 174, an increase of 33 231 more than the students assisted in 2012.

# Strategic Goal 3

STRATEGIC OUTCOME ORIENTED GOAL 3	IMPROVED STUDENT FINANCIAL AID ENVIRONMENT
GOAL STATEMENT	Increase the pool of funds available for student loans and bursaries and maximise the recovery of outstanding loans from all eligible debtors by 30 June 2012
	Expand the number of eligible students by developing policy recommendations for new student segments and other related financial aid innovations by 30 June 2012
PERFORMANCE INDICATOR	AUGMENTED CAPITAL AVAILABLE FOR DISBURSEMENT

- 2013 - Disbursements increased from R7,7 billion to R8,7 - an increase of R1 billion over 2012

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# Questions & discussion



National Student Financial Aid Scheme

