



NSFAS

National Student Financial Aid Scheme

NSFAS STRATEGIC PLAN & APP

PRESENTATION TO THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION AND TRAINING

18 April 2018



Presentation Outline



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NSFAS MANDATE

NSFAS MANDATE PRESCRIBED BY THE NSFAS ACT

- Providing loans and bursaries to eligible students
- Developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training
- Raising funds
- Recovering loans
- Maintaining and analyzing a database and undertaking research for the better utilisation of financial resources
- Advising the Minister on matters relating to student financial aid
- Undertaking other functions assigned to it by the NSFAS Act or by the Minister



The NSFAS mandate is established in law, the NSFAS Act 56 of 1999.

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VISION & MISSION



To transform NSFAS into an efficient and effective provider of financial aid to students from poor and working class families in a sustainable manner that promotes access to, and success in, higher and further education and training, in pursuit of South Africa's national and human resource development goals.



NSFAS is a model public entity that provides financial aid to all eligible public university and Technical and Vocational Education and Training (TVET) college students from poor and working class families.



SITUATIONAL ANALYSIS

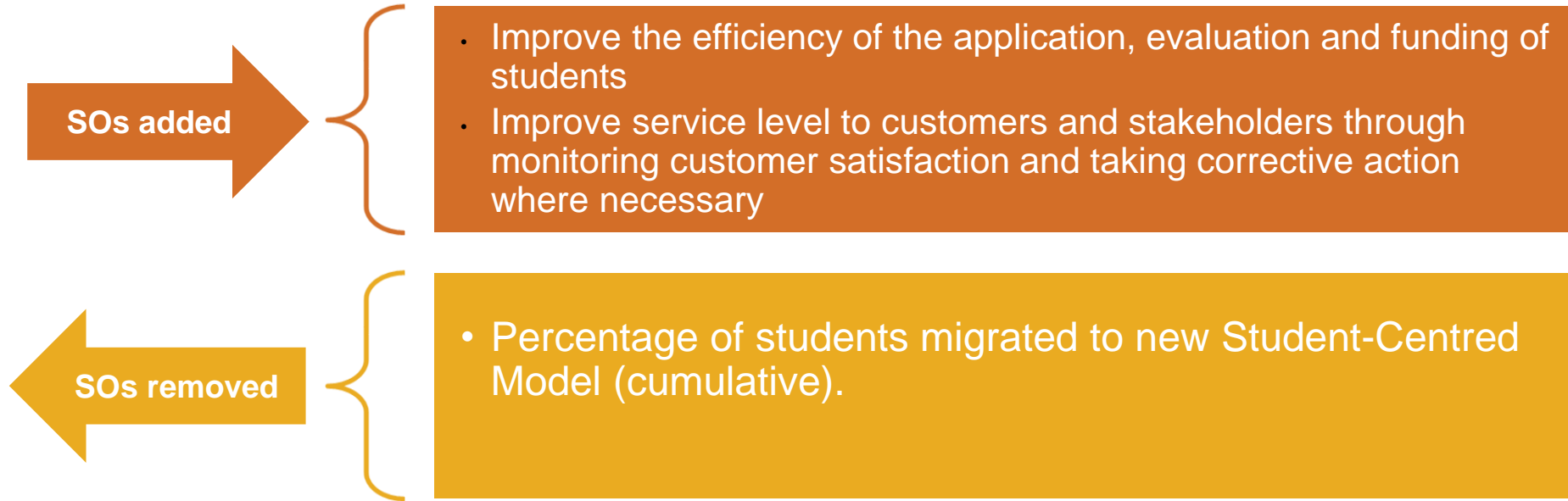
- This presentation deals with NSFAS Strategic Plan and Annual Performance Plan
 - Strategic Plans covers the fiscal years 2018/2019 to 2019/2020 (a revision of the 2015/2016 to 2019/2020 Strat Plan)
 - APP covers the 2018/2019 fiscal year.
- The Strategic Plan defines the strategic objectives, targets and KPIs to measure performance
- NSFAS achieved the full implementation of the student-centred model in the 2017 academic year.
- Focus is now on refining measures on how the student-centred model is being executed.
- Fee-free higher education pronouncement by the former president of South Africa on 16 December 2017.
- Significant increase in funding for both TVETs and Universities; negative impact on recoveries and fundraising efforts.
- The pronouncements also has a significant impact on the systems, processes, people and funding model through which NSFAS currently operates.
- NSFAS has instituted a number of system changes, has increased its' people capacity and capability and has begun the planning for the full transition of this model in the following year.

MTSF TARGETS THAT NSFAS CONTRIBUTES TO

Impact Indicators - Baseline vs. Projections

Impact Indicator	Baseline (2017 academic year)	2018 academic year (projection)
Improved system of collecting funds from those funded through NSFAS developed	R512m (unaudited 2017/2018 performance) Integrated plan developed for improving collection	25% on growth on 2017/18 unaudited actual performance which translates into a target of R640m for 2018/19
Number of eligible TVET college students obtaining financial aid	230 469 eligible students obtaining financial assistance annually	293 925 eligible students obtaining financial assistance annually
Number of eligible university students obtaining financial aid	230 068 eligible students obtaining financial assistance annually	290 184 eligible students obtaining financial assistance annually

Improved alignment between the business model and the APP



2018/2019 Annual Performance Plan

Overview of key changes from prior year – Key performance indicators

KPIs added

- KPIs for new Strategic Objectives 3 – application, evaluation and funding and Strategic Objective 5 – service level to customers
- KPI 4.3 and KPI 4.4 to existing Strategic Objective 4 – payments to institutions
- Minor amendments to existing KPIs

KPIs removed

- KPI 1.2 – funding raised from current funders
- KPI 4.3 – percentage of claims paid to institutions outside the student centred model

2018/2019 Annual Performance Plan

Strategic Goals and Objectives

	Goal 1	Goal 2
Goal Statement	To implement effective and efficient processes and operations to ensure stakeholder objectives are achieved	To increase access to funding for eligible students by raising funds, maximising loan recoveries and creating a student-centred loans and bursaries model through improved communication support for students and a central application process
Strategic Objectives	<ol style="list-style-type: none"> 1. Improve and maintain financial, performance management , IT governance and audit outcomes 2. Strive for an improved organisational culture of high performance and high productivity by improving employee engagement 	<ol style="list-style-type: none"> 1. Increase in funding (Rand value) raised for financial aid for qualifying students 2. Increase the amount of money recovered (Rand value) from NSFAS debtors 3. Improve the efficiency of the application, evaluation and funding of students 4. Improve the efficiency of payments of tuition, residence fees and allowances to NSFAS students and institutions 5. Improve service level to customers and stakeholders through monitoring customer satisfaction and taking corrective action where necessary 6. <i>Undertake research for the better utilisation of financial resources</i>

2018/2019 Annual Performance Plan

MTEF Targets - Financial Perspective

Objectives	Key Performance indicator	Baseline	Projections		
		2017/18 (Target)	2018/19	2019/20	2020/21
1. Increase in funding (Rand value) raised for financial aid for qualifying students	1.1 Amount of funds (Rand value) raised from new funders	R11.0m	R11.0	R11.0	R11.0
2. Increase the amount of money recovered (Rand value) from NSFAS debtors	2.1 Amount of money recovered (Rand value) from NSFAS debtors	R588.0m	25% increase on 2017/18 actual collections	25% increase on 2018/19 actual collections	25% increase on 2019/20 actual collections

2018/2019 Annual Performance Plan

MTEF Targets – Stakeholder Perspective

Objectives	Key Performance indicator	Baseline	Projections		
		2017/18 (Target)	2018/19	2019/20	2020/21
3. Improve the efficiency of the application, evaluation and funding of students	3. 1 Percentage of all applications received by 30 November, where provisional funding decisions are communicated to applicants by 31 January each year	70%	80%	90%	98%
	3. 2 Design and implement processes to record the date on which registration data is received from institutions	Not applicable	Process designed and implemented by 31 December 2018	Not applicable	Not applicable
	3. 3 Percentage of first time entry students where LAFSOPs are generated within 30 days of receipt of registration data from institutions	Not applicable	Not applicable	80%	90%
	3.4 Percentage of returning students where the funding process is completed within 30 days of receipt of registration data	Not applicable	Not applicable	90%	98%
	3.5 Number of institutions where NSFAS disburses allowances directly to students	18	24	50	70

2018/2019 Annual Performance Plan

MTEF Targets - Stakeholder Perspective (Cont'd)

Objectives	Key Performance indicator	Baseline	Projections		
		2017/18 (Target)	2018/19	2019/20	2020/21
4. Improve the efficiency of payments of tuition, residence fees and allowances to NSFAS students and institutions	4.1 Percentage of students for which the first instalment of amounts due to the institution is paid to the institution within 30 days from LAFSOP acceptance date	70%	80%	90%	98%
	4.2 Percentage of students for which the first instalment of allowances due to students (where NSFAS disburses directly to students) is paid to the student within 10 days of LAFSOP acceptance date.	80%	90%	95%	98%
	4.3 Percentage of amounts due to institutions in respect of LAFSOP accepted by 30 November which are paid to institutions by 31 December each year	98%	98%	98%	98%
	4.4 Percentage of allowances due to students in respect of LAFSOPs accepted by 30 November (where NSFAS disburses directly to students) which are paid to students by 31 December each year	98%	98%	98%	98%

2018/2019 Annual Performance Plan

MTEF Targets - Stakeholder Perspective (Cont'd)

Objectives	Key Performance indicator	Baseline	Projections		
		2017/18 (Target)	2018/19	2019/20	2020/21
5. Improve service level to customers and stakeholders through monitoring customer satisfaction and taking corrective action where necessary	5.1 A framework for the measurement of customer (student) and stakeholder satisfaction	Not applicable	Framework is developed and approved	Not applicable	Not applicable
	5.2 Benchmarks /baseline for contact centre performance	Not applicable	Benchmarks and baseline for contact centre performance determined	Not applicable	Not applicable
6. Undertake research for the better utilisation of financial resources	6.1 Number of research reports on produced each financial year	4 research reports produced	4 research reports produced	4 research reports produced	4 research reports produced

2018/2019 Annual Performance Plan

MTEF Targets - Internal Process Perspective

Objectives	Key Performance indicator	Baseline	2018/19	2019/20	2020/21
		2017/18 (Target)			
7. Improve and maintain financial, performance management, IT governance and audit outcomes	7.1 Audit Opinion of the AGSA	Clean audit	Clean Audit	Clean Audit	Clean Audit
	7.2 Status level for CGICTAS achieved	CGICTAS level 3 and level 4 achieved	Maintain CGICTAS Level 4 – Continuous Improvement	Maintain CGICTAS Level 4 – Continuous improvement	CGICTAS Level 4 – Continuous Improvement

2018/2019 Annual Performance Plan

MTEF Targets - Learning and Growth Perspective

Objectives	Audited/actual performance	Baseline	2018/19	2019/20	2020/21
		2017/18 (Target)			
8. Strive for an improved organisational culture of high performance and high productivity by improving employee engagement	8.1 Leadership behaviour 360 degrees survey	Not applicable	Complete LBC 360 degree assessment for 70% of employees in levels 11 and above	Complete LBC 360 degree assessment for 80% of employees in levels 11 and above	Complete LBC 360 degree assessment for 90% of employees in levels 11 and above
	8.2 Percentage Employee engagement index	70% of employees engaged	Employee engagement index of 80%	Employee engagement index of 85%	Employee engagement index of 90%

2018/2019 Annual Performance Plan

BUDGET - REVENUE

Description	Medium-term expenditure estimate			
	2017/18 EST R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000
<u>Entity Revenue:</u>				
1. Administration revenue	249.5	293.1	312.3	331.8
2. Interest received	1,179.8	1,533.7	1,687.1	1,729.3
Total Entity Revenue	1,429.3	1,826.8	1,999.4	2,061.1
<u>Transfers Received:</u>				
1. DHET Loans & Bursaries	12,287.0	20,065.3	30,541.9	35,014.9
-Universities	9,849.4	14,901.2	24,024.0	28,236.3
-TVETS	2,437.6	5,164.0	6,517.9	6,778.6
2. Other Government units	1,631.4	1,497.2	1,572.0	1,650.6
3. Departmental agencies and accounts	1,152.5	1,077.0	1,130.9	1,187.4
4. Higher education Institutions	246.0	252.1	258.4	264.9
Total Transfers Received	15,316.9	22,891.6	33,503.2	38,117.8
Total Revenue	16,746.2	24,718.4	35,502.6	40,179.0
Increase percentage		47.6%	43.6%	13.2%

2018/2019 Annual Performance Plan

BUDGET - EXPENDITURE

Description	2017/18 EST R'000	Medium-term expenditure estimate		
		2018/19 R'000	2019/20 R'000	2020/21 R'000
Current payments				
Compensation of employees	156.7	181.4	197.4	210.4
Goods and Services	120.2	103.1	108.6	114.8
Transfers and subsidies to:	13,229.6	22,891.6	33,503.2	38,117.8
-Universities	10,792.0	17,727.6	26,985.3	31,339.2
-TVETS	2,437.6	5,164.0	6,517.9	6,778.6
Capex	14.3	8.6	6.4	6.7
Total	10,398.8	23,184.6	33,815.5	38,449.7
Depreciation / impairment losses)	3,325.8	337.5	210.0	153.1
Accounting surplus	-	1,196.3	1,477.1	1,576.2
Grand Total	16,746.2	24,718.4	35,502.6	40,179.0

A close-up photograph of a diverse group of people, primarily of African descent, smiling broadly and giving thumbs up. The focus is on their hands and faces, with a soft, warm lighting. The text "THANK YOU" is overlaid in the center in a bold, white, sans-serif font.

THANK YOU