NSFAS EO & BOARD NOTES

NOTES ON ANSWERS TO THE LETTERS FROM THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION AND TRAINING

16 August 2018

- ❑ **CEO Answers to PCHET Questions**
- ❑ **Board Answers to PCHET Questions**

- NSFAS worked with the DHET Support team to facilitate the processing of applications and payments to institutions and students. Student funding decisions were communicated directly to student as decisions were made. The accompanying report gives the details of the progress made so far.
- NSFAS has set a team to work on Exceptions to address the issues that caused funding delays.
- NSFAS is in the process of drafting MoUs to formalise engagements and SLAs with institutions. NSFAS has also engaged USAf and there are plans to have similar engagement with SACPO, the aim of these engagements is to get the assistance of the FAO and SSS colleagues in driving the 2019 application and funding cycle. NSFAS plans to work closely with DHET to facilitate these engagements.

- NSFAS has established performance management and disciplinary policies (Code of Conduct, Disciplinary Procedures) to assist management in dealing with accountability and consequence management. Consequences management and disciplinary processes are the responsibilities of line management to implement. The HR department of NSFAS assists management with carrying these responsibilities out.

- The NSFAS management has in recent past implemented such consequence management which resulted in warnings as well as dismissals of some employees for dereliction and performance amongst other issues.

- There are currently two employees undergoing disciplinary enquiries.

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Upfront payments
- By 30 May 2018, NSFAS had made upfront payments to all institutions amounting to 30% of allocations. A further 20% in upfront payments was made to institutions in June 2018, to bring the total upfront payments to 50%. A portion of the upfront payments were meant to be used by institutions to pay allowances for those institutions that are not on S-bux (58) for students with confirmed funding decisions.

Universities
- NSFAS obtained confirmation that a total of 214k university students were paid allowances from the upfront payments in June 2018.
- There is a total of 18 institutions on the S-Bux system where NSFAS pays allowances directly to 44k students

TVETs
- NSFAS obtained confirmation that 85k college students had been paid allowances from upfront payments per the returns submitted by colleges (5 Colleges have not submitted returns). It should be noted that colleges started paying allowances later than universities.

Disbursements through the system
- From July 2018, payments to all institutions were through the NSFAS system. Disbursements through the system are first set off against the upfront payments before payment can be made to institutions.
- Disbursements through the system also enable NSFAS to generate remittance advices against which NSFAS can allocate allowances to student accounts.

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Several universities have alerted us to the fact that NSFAS has in 2018 made funding offers to academically ineligible students. This matter was escalated to the ICT Exceptions Team for investigation and resolution.

We have established that our system uses a 40% pass rate, which differs from some universities. We are investigating the cause of the misalignment and will apply necessary corrective measures.

The courses of delays in the issuing of remittances are the following:

There were delays in the creation of accounts in the 2018 year; there was a dependency on the finalisation of the contracts and approval of notional allowances.

From June 2018 NSFAS has started to issue institutions with REMITTANCES for disbursements that were processed on the system. Therefore this issue has been mitigated for the future payment runs.

The 2018 progress feedback is provided in the accompanying detailed report.

What are the NSFAS plans to ensure successful disbursement in 2019?

Note: While the Minister has put a hold on the opening of 2019 applications, NSFAS continues with necessary preparatory plans.

The following has been identified as priorities for the organisation to ensure a successful 2019 programme:

- Engage the sector from the start of the application process to the end by completing MoUs in partnership with the University and TVET sectors so that expectations and responsibilities are outlined and agreed upon.
- Evaluate all applications immediately on receipt and communicate decisions at two stages – on financial eligibility and on funded approval based on registration. To enable this NSFAS will plan capacity to enable effective and timely processing of applications (e.g. in November the demand is highest, the system capacity must be planned accordingly)
- Systems Improvement - Implement improvements in integration with data providers for the financial eligibility check and institutions for the funding decisions and to ensure effective information exchange
- Finalise the separation of NSFAS processes to cater for stakeholder differences by:
    - Implementing sector specific processes for Universities and TVETs
    - Planning capacity according to sector registration calendars into a broader assembly of sector events timelines
- NSFAS has addressed several new issues introduced by policy changes in 2017 like the NSFAS Bursary Agreement and nominal allowances as well as cleared up previous year backlogs. This will result in an earlier start, a more regulated flow and less exception management.
- For 2019 NSFAS will have completed the migration process by 15 January be ready for the registration process of returning students, which accounts for 80% of the students.

The NSFAS ICT department is undertaking work to effect improvements to address the 2018 situation and prepare for 2019:

- Intensive use of all resources to validate, improve and correct data from institutions to fast-track disbursements
- Very specific focus in resolving all manner of exceptions as a result of incomplete or inaccurate data received and where funder configurations were not provided or prepared properly
- Different mechanism and approaches tried and tested to speed up the award creation to disbursement completion cycle
- A review of Phoenix to improve (double up) performance, remove unnecessary usage of data and establish where available Phoenix functionality can be applied to improve processes
- Work towards preparing a Cordys review with the goal of upgrading to current levels and removing technical debt.
- Improvement in the 2019 Application Form functionality has been completed.
- Preparing the Case Management tool for evaluating applications as soon as they are received.
- Improvements to BI reporting to provide more consistency and accuracy in operational and published reports
- Completing 2019 Academic Cycle project planning for system builds and enhancements to address the 2019 rollout
- Started the remediation programme by first tackling some of the easier to rectify issues and those more relevant to impact in 2019 Applications
- Decommissioning Midrand Disaster Recovery site in anticipation for building a pre-production environment for improved quality assurance

Key Risks	Mitigating Measures
Lack of binding agreements between NSFAS and the sector, Universities and TVETs.	NSFAS is drafting an MoU which will be negotiated and signed with Universities and TVETs which seeks to establish and formalise corporative structures between NSFAS and each institution. NSFAS will institute stakeholder engagement plan which will incorporate ongoing engagement with the sector partners including student leadership. Define data governance into the MoU.
Lack of an adequate skills-set required to optimally support the NSFAS processes in the Student Centred Model.	The NSFAS Board approved the management request for making changes in the skills set.
Lack of process maturity and misalignment to the Student Centred Model.	NSFAS has concluded the review of the current processes and the gap analysis will be done to help align processes to the Student Centred Model.
System capacity – processing capacity of NSFAS system will cause delays if large backlogs of data volumes are created.	Agree SLAs with institutions to manage data flows – create and agree the data submission schedule with institutions. NSFAS has instituted reviews and projects aimed at increasing systems capacity and addressing error prone areas of the system. The scope includes Phoenix, Cordys and data exchange.

In order to define a road map that is fit for purpose, NSFAS has started a procurement process for appointing a suitably qualified service providers to assist with the definition of a Target Operating Model(TOM). This target operating model will define the roadmap that will assist NSFAS to become fully student centred:

- TOM will define how NSFAS manages its business and how the entity organises People, Processes and Technology to operate effectively and deliver a better, more digital experience for customers.
- To deliver secure and resilient systems that support an improved customer journey that reflects a self-service customer experience.
- To measure performance and steer improvement using a new service dashboard derived from 4 'outside-in' process measures (looking at processes from the perspective of the customer who is using them): Right First Time, Elapsed Time, Customer Feedback, and Cost per Transaction.
- Once complete, NSFAS's Balanced Scorecard will reflect and roll-up these measures across NSFAS services to reflect their collective performance.
- NSFAS as a centre of excellence, well- known for designing, building and operating a student centred model underpinned by efficient and effective leading and enabling processes.

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❑ **CEO Answers to PCHET Questions**

❑ **Board Answers to PCHET Questions**

- In conjunction with establishment of DHET Support Team the Board formed a Sub Committee to work alongside the Support Team and Management

- Identified the extent to which manual interventions are used within the systems

- Leadership gaps meant that Board drawn ever more into operational issues, resulting in call for Administrator to take the helm

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- Weekly reports to Sub Committee

- Full implementation of the performance management system in 2018

- Policy updates on job evaluation, performance management, learning and development awaiting ExMa input and HR Committee approval

- Job description review in progress under external experts

- As part of the employee engagement survey owners of action plans identified and linked them to APP

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- 5 universities and 13 TVETS (pilot) in 2016
- Implemented (i.e. centralised applications) for all applicants in 2017 – crashed and mainly paper based
- 2018 application system fully functional – Dec 16 announcement led to post closing date applications that did add to delays but not for students who had applied under the original system
- Payments directly to students via vouchers (sbux) based on vouchers
- Tender issued for card based system to operate alongside in August 2017 - awarded to Standard Bank
- Four institutions agreed to pilot in November and December

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- A road map for the 2019 application cycle was presented at Board on 30 July.

- Under Board guidance the plan was refined to focus on a handful of achievable outcomes

- We await further interaction with the Minister and DHET about how and when the application process will open

- Discussions ongoing for secondment of qualified individual to fill the vacant COO position to ensure short term 2018 fixes are embedded in 2019 system

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- Act

  - Loans/bursaries – change the references to loans

  - Title of EO

THANK YOU

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