



National Student Financial Aid Scheme

October 06th, 2020

Honourable MP Mapulane

Chairperson: Portfolio Committee on Higher Education, Science and Technology
Parliament of the Republic of South Africa: National Assembly
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And to:

Mr. Anele Kabingesi

Committee Secretary: Portfolio Committee on Higher Education and Training
Parliament of the Republic of South Africa: National Assembly
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Dear Honourable MP Mapulane

RE: NSFAS RESPONSE TO NEHAWU ALLEGATIONS & INVITATION TO A VIRTUAL MEETING OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION, SCIENCE AND TECHNOLOGY

The above subject refers, as well as your written correspondence dated the 29th September 2020 addressed to the office of Dr Randall Carolissen – NSFAS Executive Administrator, the content of which is noted.

The purpose of this letter is to respond to the request by the Chairperson of the Portfolio Committee on Higher Education, Science and Technology on the content and veracity of the allegations levelled against NSFAS and the Executive Administrator highlighted in the submission sent by Mr. E Kweleta: Western Cape Provincial Secretary of the National Education and Health Allied Workers Union (NEHAWU) dated 23 September 2020.

By way of background, Dr Carolissen was seconded to the National Student Financial Aid Scheme (NSFAS) as the Executive Administrator for his first term of administration in line with his appointment by the then Honourable Minister for the Department of Higher Education and Training, Ms. Naledi Pandor, for a period of 12 (twelve) months. Notice of this appointment was subsequently published in the Government Gazette Volume 638 No. 41851 on 21 August 2018.

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The Executive Administrator was appointed for a second term of administration for a further 12 (twelve) month period by the Honourable Minister for the Department of Higher Education, Science and Technology, Dr Bonginkosi Emmanuel Nzimande on 20 August 2019. Notice of this appointment was subsequently published in the Government Gazette Volume 1107 No. 42662 on 22 August 2019.

As of 20 August 2020, the Honourable Minister for the Department of Higher Education, Science and Technology, Dr Nzimande extended the term of the Executive Administrator for a further four months, which appointment shall terminate on 31 December 2020 as published in the Government Gazette Volume 915 No. 43637 on 21 August 2020.

According to the initial appointment on 21 August 2018 and the further terms of administration, i.e. 22 August 2019 and 21 August 2020, the Executive Administrator's Terms of Reference mandate him, amongst others things, *"to take over the Governance, Management and Administration of NSFAS"* and he is further authorised under Section 17B of the NSFAS Act to acquire the assistance of knowledgeable persons to support him in the execution of his duties. In accordance with the Terms of Reference, the Executive Administrator is mandated and duly authorised to steer the organisation to address its operational challenges, which includes the strengthening of structures, systems and policies that will ensure good governance and effective management of the core operational mandate of NSFAS.

The Administrator hereby places on record that he initiated a civil claim in 2019, based on NEHAWU's previous vexatious and unsubstantiated allegations, against the author of the NEHAWU submission and that a hearing is set down in the High Court of Cape Town for 3 December 2020. Currently there are several disciplinary charges underway against several senior managers as well as criminal investigations on syndicated fraud that revealed itself during forensic investigations. Notwithstanding, NSFAS remains respectful of the oversight role of the PCHET and indeed welcomes the opportunity to once again clarify matters raised as mismanagement by NEHAWU. Despite these allegations having surfaced in the media, before the Public Protector and in Parliament, they lack sufficient substance to have gained any traction. However, despite lacking substance, these allegations nonetheless pose an undesirable distraction and impugn on the reputation of professionals working hard to restore the integrity and delivery of NSFAS as anticipated in its mandate.

Placing an entity of the state under administration is an extreme measure and is often viewed as the last step to restore governance, curtail fraud or in general arrest institutional collapse. An Administrator is therefore provided with sufficient, yet not unfettered, powers to ensure that the correct interventions can be implemented within appropriate timeframes. In the case of NSFAS, the Administrator assumed the powers of the Board and the executive management as laid out in his Terms of Reference. Cognisant of the extensive powers, the Administrator always endeavoured to integrate governance into his decision-making to also prepare NSFAS for the post administration period, as well as to provide sufficient transparency to oversight structures and stakeholders.

As part of contracting Dr Carolissen as the Administrator of NSFAS, provision was made for the appointment of technical specialists /advisors in concurrence with the Minister. This process was scrupulously followed, and an audit trail is available. Considerations in the selection of advisors included technical expertise, but some limitations were encountered about availability as many of the nominees that were approached were not available for short term contracting. This proved to be a prudent arrangement as the parlous state of NSFAS at

the start of administration, and detailed in the 2019 annual report, revealed institutional malaise much worse than anticipated when the decision was taken to place NSFAS under administration. In 2018, NSFAS beneficiaries went unfunded for periods up to 8 months, threatening the completion of the academic year. Records will show that the entire Higher Education sector came close to collapse. The rapid stabilization of the sector over a very short period by the Administrator is widely recognized by all stakeholders, Parliament included.

This poor state of affairs necessitated a second year of administration to ensure that sustainability and entrenchment of sorely lacking technical skills are achieved. To this end, we have begun a process of appointing the senior executive of NSFAS and once again complete records are available on the governance adhered to. The second term of administration that started on 22 August 2020 also provided additional time to reconcile 400,000 irregular records with institutions that accounted for the R7.5bn in irregular expenditure uncovered by the Administrator. The latter required that irregular expenditure of R284.7 million declared in the 2018 report be restated to R2 billion. It should be noted that for the first time ever NSFAS is reconciling accounts down to student level.

The number of labour disputes that the Administrator had to contend with bears testimony to a HR department at NSFAS that was completely dysfunctional. Our HR forensic and internal audit reports detail irregular appointments of senior managers, absence and, where a few existed, flouting of policies and procedures etc. This is in the process of being corrected and to attribute this vacuum to the Administrator is disingenuous.

The Administrator reports on a regular basis to both the DHET and the Minister of Higher Education, Science and Technology on progress and seeks concurrence on any strategic intervention he anticipates.

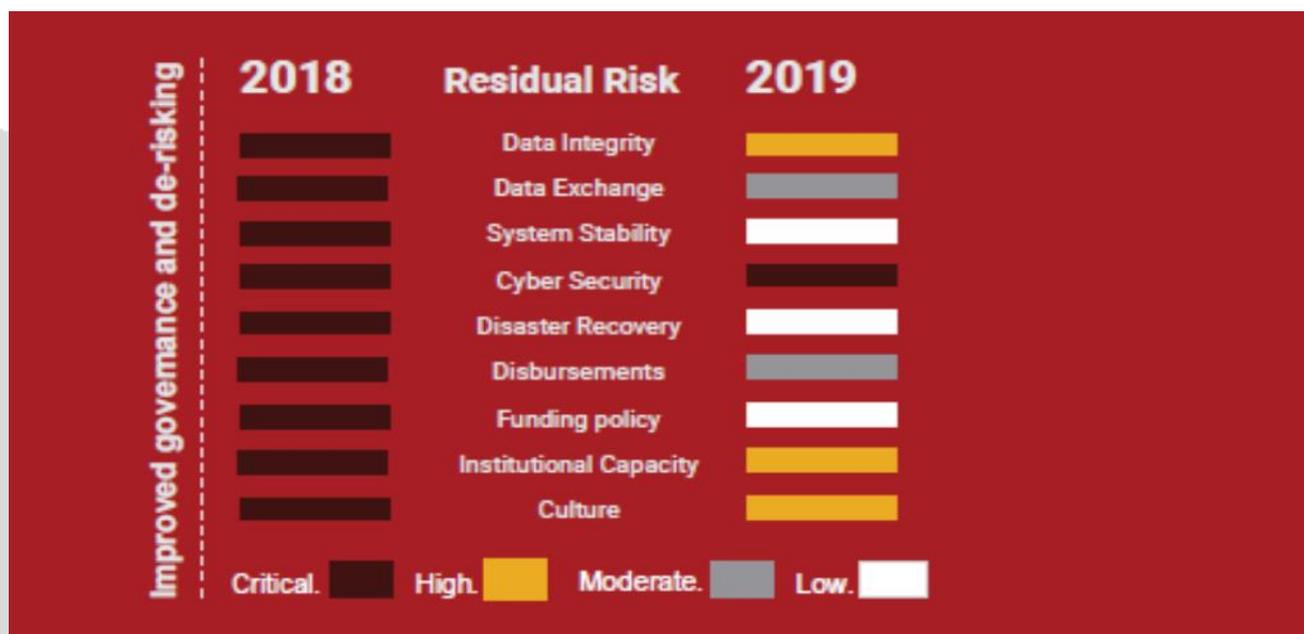
As to the performance of the administration, that assessment is best made by the views of the many stakeholders that we serve.

NSFAS is pleased to be given the opportunity to address the incessant accusations tabled by NEHAWU against the Administrator and his appointed Advisors. As a general comment to the NEHAWU allegations, the gravamen of the complaints is often framed as broad allegations lacking in specificity which undermines our ability to properly respond thereto. In an effort to assist this process, we have nevertheless responded to the allegations to the extent possible and highlighted the additional information that will be required to properly interrogate and respond to the allegations. We would welcome the opportunity to provide you with a further response to these allegations upon receipt of this information. We wish to reiterate that these accusations / allegations are devoid of truth and substance. We therefore respond to the NEHAWU submission as follows:

- 1. The unilateral dissolution of the Board approved NSFAS organizational structure, which was then replaced by a critical vacancies list. This list sought to legitimize the appointment of friends, family and associated of the DHET Minister, Administrator and Advisors.**

NSFAS categorically denies this allegation in the strongest possible terms. The circumstances which led to the development of the critical vacancy list and the appointment of the advisors are explained below. In October 2018 the Administrator undertook a risk review to identify what was bringing the entity to collapse. With this review, he contributed to the strengthening of governance and controls by facilitating EXCO identification and

prioritization of strategic risks as well as the implementation of a strategic risks register for NSFAS by 30 November 2018. The slide below is an extract from the presentation of the 2019 annual report to the PCHET:



The organization structure that existed at the commencement of administration was one that included a top heavy management structure with shortage of technical skills to address the key strategic risks. This, coupled with an administration budget that did not provide any available funding, necessitated budget reprioritization and the establishment of the critical vacancy list to progressively acquire the required technical skills which are able to more contribute effectively to the pursuit of NSFAS' core operational mandate.

Section 17B of the NSFAS Act permits the Administrator, with the Minister's approval, to appoint advisors with suitable skills and experience in order to assist the Administrator with the execution of his duties. The process of identifying candidates for appointment was therefore a collaborative process with nominations for the various advisory roles sought from:

- the Administrator;
- the Department of Higher Education and Training; and
- the Minister

The selection of the Advisors was based on their areas of knowledge, expertise and experience as well as their availability for a short-term role. In this respect, many of the candidates approached refused to take up the role due to the disruption to their permanent employment contracts.

In all cases, where the proposed advisor was known to the Administrator, this was declared to the both the Minister and Department officials involved in the appointment of the advisors at the time.

Essentially, the role of an Advisor is to provide specialist support to the Administrator to achieve his Terms of Reference. In this regard various activities have been undertaken during Administration including facilitating the formulation of the strategic plan and annual performance plan; assisting management in preparing business plans, providing guidance in developing policies and processes, supporting the Operations, ICT and other business units in the delivery of their activities, mentoring and coaching of staff and facilitating the preparation of reports to NSFAS stakeholders. The capacitation of the entity with permanent staff has been an ongoing intervention during Administration and currently the Operations, ICT and Governance & Risk units are

functioning with minimal involvement from the Advisors. The remaining period of Administration is focused on completing the handover to the management team.

Whilst the Advisors specifically highlighted by NEHAWU are listed in the table attached, there are a number of Advisors appointed whom the Administrator had no previous relationship with. These are: Prof. Neil Garrod, Peter Grant, Bebe Oyegun-Adeoye, Sam Zungu, Dr Sibongiseni Thotsejane and Sibongile Mncwabe.

The Auditor-General of South Africa (“AGSA”), as part of its annual audit in the past few years, has reviewed the appointments of a sample of the advisors and made no adverse findings on the regularity of their appointments. The current audit is underway and to date no findings have been made.

As to the allegation regarding targeting, victimizing and removal of key senior managers, in order to properly ventilate the issue raised by NEHAWU, NSFAS requires the following details:

- Which key senior managers are alleged to have been targeted by removal and victimised?
- Which employees are alleged to have been replaced by friends and associates of the DHET Minister, Administrator?
- Identification of the “certain Executive” and “some Advisors” whose friends and associates are alleged to have replaced qualified and experienced employees.

2. The Administrator deliberately changed the entity’s strategic indicators and replaced them with his Terms of Reference. He also reduced the entity’s approved targets, which led to the huge departure from the 2019/2020 Annual Plan and 2014/15 to 2020 Strategic Plan; both of which were approved by Parliament. The Administrator has consistently misled both Parliament and the public about the entity’s performance. (Officials who can attest to this have been victimized, targeted, suspended and/or dismissed.)

Following appointment, the Administrator was allocated the responsibility of the management, governance and administration of NSFAS. This included the responsibility to steer NSFAS to address its operational challenges fully and entailed *inter alia* a consideration of feedback obtained from the Minister and DHET and the implementation of directives issued by the National Treasury from time to time.

During the submission of the NSFAS 2019/2020 APP during November 2018, the entity was requested to revise its budget to reduce the allocation for compensation of senior managers, which was a directive from National Treasury. NSFAS submitted an APP that was aligned with the strategic plan, key performance indicators and budget. NSFAS, upon the approval of the then Minister of Higher Education and Training, Dr Naledi Pandor, amended the indicators in order to align it with the Administrator’s Terms of Reference in January 2019, after consultations with DHET and the Minister and for which an approval letter was issued in a letter dated 03 March 2019. This was important in order to ensure alignment between the Administrator’s Terms of Reference and the entity’s strategic imperatives.

The allegation does not make it clear what circumstances give rise to the claim that the Administrator misled Parliament. The Administrator has never misled Parliament or the public about the entity’s performance or otherwise.

The Administrator has always made a concerted effort to consult all stakeholders at the appropriate platforms, with the guidance and prior approval of DHET. The Terms of Reference, which defined the strategic imperatives

of the Administrator, were developed by DHET and the Minister and gazetted by Parliament. By their very nature, they were designed to place NSFAS in business rescue. It was imperative that the entity's performance expectations were aligned to the Administrator's Terms of Reference in order to achieve the business rescue outcomes. This alignment was done with the full collaboration and approval of DHET, the Minister and Parliament. The allegations of misleading Parliament and the public is therefore without basis.

As to the allegation regarding staff victimization, NSFAS requires specific details of such allegations in order to respond appropriately. Needless to say, the allegations are presently denied.

3. Non-Compliance to Laws and Regulations (NOCLAR) Report highlighted material non-compliance to S51 of the PFMA, deliberate and systematically planned to put the entity in the hands of EY.

This allegation suggests that that the reported control weaknesses and non-compliance to the PFMA as reported in terms of NOCLAR were without merit and that NOCLAR notification was orchestrated by EY in order to put the entity in the hands of EY.

NSFAS denies the allegations. The NOCLAR notification was issued to NSFAS by EY in their capacity as outsourced internal auditors to NSFAS and was based on their audit of the disbursement process in which the auditors found that the disbursement process lacked the necessary internal controls to prevent irregular payments to students. Based on the findings, the Administrator initiated a process to quantify the impact of the internal audit findings. This quantification process identified payments:

1. to students who were not eligible for funding (did not meet the financial eligibility criteria);
2. to students who were studying for courses that are not funded by NSFAS;
3. to students exceeded the maximum number of years that NSFAS is allowed to fund students in terms of the N+ rule;
4. over-disbursements to students (amounts paid in excess of approved loan or bursary values); and
5. various other incorrect payments as a result of a range of data errors.

The total errors discovered amounted to R4,3bn for the 2017 and 2018 academic years and was disclosed as irregular expenditure in the 2018/ 2019 annual report. The irregular expenditure was subjected to audit by the AGSA, which concluded that the amounts disclosed were fairly presented. The NOCLAR findings were therefore real and valid, and the Administrator has implemented extensive interventions to improve the internal control environment. Further, it should be noted that the NOCLAR issue was but one of the many challenges that the Administrator had to deal with during his terms of administration. The internal audit outsourced contract came to an end on 31 October 2019, further negating the allegation that the entity was placed in the hands of EY.

The allegations relating to Ms. Isaacs appointment are more fully addressed under point 9 below. The allegation of the Chief Governance, Risk and Compliance Officer's involvement in operational matters is vague. There is no elaboration on the operational matters alleged to have been interfered with and why it is alleged the operations of the organisation are "paralysed" as a result of such interference. We require additional detail in order to respond effectively. Needless to say, these allegations are presently denied.

4. The appointment of Advisors and salaries appear to be unjustifiable, and not aligned to the terms of reference of the Administration and DPSA policies.

This allegation is denied in the strongest terms. All Advisors were appointed in terms of the approved legal process, particularly under Section 17B of the NSFAS Act, which authorizes the Administrator to acquire the assistance of knowledgeable persons to support him in the execution of his duties. In accordance with the Terms of Reference, the Administrator is mandated and duly authorized to steer the organization to address its operational challenges, which includes the strengthening of structures, systems and policies that will ensure good governance and effective management of the core operational mandate of NSFAS. An inclusive process was followed in consultation with DHET officials and the Minister's Office to identify suitable specialist resources to augment the Administrator's team and to achieve the objectives of the Terms of Reference. The required protocols were adhered to in the selection and appointment of Advisors, including making formal representation to the Minister for the choice of Advisors, submission of CV's and receiving written approval to confirm the appointments. In all cases, where the proposed advisor was known to the Administrator, this declaration was made to the both the Minister and Department officials involved in the appointment of the Advisors at the time.

Given the nature of the work to be undertaken to achieve the business rescue of NSFAS, the Advisors selected by the Administrator in consultation with DHET and the Ministry required specified profiles. The proposed salaries took into consideration the skills, expertise, knowledge and experience of each advisor. Furthermore, the proposed packages were also compared to the earnings of executives in the general market. It is therefore contended that remuneration packages for the Advisors were aligned to their roles and justifiable and were endorsed by DHET and the Ministry.

It should be further noted that a revised remuneration regime for Chief Officers is being proposed to the Minister to facilitate the attraction and retention of executive skills.

Insofar as it is alleged that the Advisors lack the requisite skills, experience and expertise to qualify as Advisors, NFSAS requires the factual foundation for this allegation and an explanation of whether it applies to all Advisors or only certain individuals. In addition, particulars of when, how and in respect of which Advisor's Dr Carolissen is alleged to have misrepresented the experience and expertise are required to enable us to fully address this allegation.

As to the allegation relating to the renting of apartments for the Administrator and Advisors, the appointed Advisors were required to be office bound in Cape Town and this necessitated providing reasonable accommodation to those who had to commute to Cape Town to execute their respective duties.

An analysis was undertaken to determine the cost efficiency between hotels and other options regarding the provision of accommodation. In concurrence with DHET, it was confirmed that renting apartments was the more cost effective option and the selection of the V& A Waterfront apartments, after lengthy negotiations with various entities by the NSFAS contracted Travel Agency, was the most cost effective arrangement taking into consideration proximity and safety. The effective daily rate is lower than the National Treasury Guidelines for daily accommodation rates.

DHET also concurred with this option. We therefore dispute and deny that this was irregular when in fact it was the most cost-effective option and in line with the NSFAS Travel Policy. Similarly, the hiring of vehicles and the purchase of air tickets does not constitute improper conduct or maladministration, since the procurement of these services was a necessity in respect of work-related travel and complied with National Treasury Guidelines. Provision was made in the Advisor's contracts for them to travel home initially on a weekly basis and subsequently revised to a two-weekly basis. All travel arrangements were facilitated through the NSFAS Approved Travel Agency.

5. The appointment and salary progression of Ms. Tasneem Salasa as the Acting Chief Operations Officer was irregular and accordingly constitutes improper conduct and maladministration.

NSFAS vehemently denies this allegation. Ms. Salasa was appointed by the previous NSFAS Board, prior to the commencement of the Administration process. This appointment was exercised in accordance with Section 9(2) of the NSFAS Act, which empowers the NSFAS Board to identify and second knowledgeable persons in the higher education sector to assist NSFAS, as and when the need may arise. An arrangement was reached with UCT to temporarily secure the services, skills and expertise of Ms. Salasa following the long recruitment process to fill the vacancy which arose with the departure of the previous Chief Operations Officer, Mr. Victor Rambau, after his secondment from Standard Bank had come to an end. This measure was implemented to stabilize the operations of NSFAS until the NSFAS Recruitment and Selection process had been concluded.

The terms of the original secondment agreement were to pay an honorarium to the University of Cape Town who in turn would determine the value of the honorarium to be paid to Ms. Salasa. The subsequent addenda to the contract retained the secondment arrangement between NSFAS and the University of Cape Town and the amount payable was revised to be aligned to the earnings of other Advisors. The secondment arrangement ended on 31 December 2019.

6. Dr Carolissen and his team deliberately frustrated senior employees by changing their job descriptions and roles without following labour laws, removing them from their key responsibilities, and redeploying them to provinces without a clear strategy, resulting in resignations and confusion in roles and responsibilities.

NSFAS denies that there was any attempt on the part of the Administrator and his Advisors to frustrate employees and unilaterally change their job descriptions, particularly those of its Senior Managers, to flout labour laws or to remove or redeploy employees without a clear strategy. We require additional details of such allegations as NSFAS has not received any formal or informal complaints or grievances in this regard. Information required for NSFAS to fully understand the complaint includes:

- Which senior officials are alleged to have been purged?
- What financial losses are alleged to have been incurred in respect of these senior officials?
- Which employees are alleged to have been improperly suspended?
- What is the basis for alleging the suspensions were improper?
- Which key employees are alleged to have faced fabricated charges?
- Which advisors are alleged to be colluding with the Administrator?
- What is the factual basis for alleging there is a purging of black excellence?
- To what extent is it alleged staff is racially profiled?

In the meantime, these allegations are denied.

7. Dr Carolissen irregularly increased the salaries of various staff members that he favoured, including a shop steward, resulting in a salary bill and if this amounted to financial mismanagement and accordingly improper conduct and maladministration.

NSFAS denies these allegations in the strongest terms. Absent any information on which staff members are alleged to have been favoured and the basis for alleging that there has been an irregular increase in their salaries, NSFAS is unable to fully address the substantive elements of the complaint. As indicated earlier, in order to fully and fairly ventilate the allegations, NSFAS will require further information on this allegation.

In respect of the leave encashments, the payment of the outstanding leave was made in line with the organisational policy and practice related to termination of services. The Advisors were appointed on fixed term contracts with no expectation of extension or renewal as their respective terms were linked to that of the Administrator. Even though some Advisors were provided with contracts that were not aligned to the exit date of the Administrator, official termination notices were issued to Advisors that their contracts would be ending on the 20 August 2019.

In line with this, HR computed all outstanding monies due to the Advisors (including leave pay) and effected payment on the last day of that month as required by policy. This was an affirmation that the contracts had ended.

On receiving confirmation that the second term of administration was approved, new contracts were issued to specified advisors. The contracts for some advisors were not renewed. This further confirms that the two contracts are mutually exclusive and that the payments made to advisors at the end of their first contract were within policy.

8. Systemic corporate governance collapse and failures at the NSFAS:

- a. This allegation is denied. NSFAS reports into the DHET: University Branch, and Ms. Lewin, Ms. Parker and Ms. Whittle are employed with the DHET and regularly liaise with NSFAS. This, in our view, does not constitute improper conduct and maladministration. In terms of protocol, all communication to the Minister is directed via the DHET, including all funding policy decisions and other matters not delegated by the Minister. We therefore require specific examples of any interference or unlawful conduct in this respect. In the absence of such examples, we will unfortunately not be in a position to respond.
- b. The appointment of Ms. Isaacs as the Chief Governance, Risk and Compliance Officer to NSFAS does not constitute improper conduct and maladministration. All allegations relating to Ms. Isaacs are dealt with under section 9 below. Suffice it to state for now that they are denied.
- c. We require specific examples of any interference or unlawful conduct on the part of Ms. Isaacs in respect of this allegation. In the absence of such examples, we will unfortunately not be in a position to respond at this stage. We look forward to receiving the requested detail in due course. In the meantime, the allegations are denied.
- d. We require specific details of the legislative prescripts and or recommendations that the Administrator is alleged to have ignored. In the absence of such examples, we will unfortunately not be in a position to respond. We look forward to receiving the requested detail in due course. In the meantime, the allegations are denied.
- e. We acknowledge that NSFAS historically has had shortcomings in the development and implementation of effective and efficient policies, which under Administration, NSFAS is proactively addressing.

9. Irregular Appointments

We note that NEHAWU has made extensive commentary on the recruitment of Ms. Isaacs throughout the letter. All allegations are denied. The following represents a sequence of events with respect to the recruitment of the Chief Governance Risk and Compliance Officer and seeks to address all the allegations made throughout the letter from NEHAWU.

A role of Chief Risk Officer (CRO) was always part of the approved organizational structure. This role was previously fulfilled by a secondee from Nedbank. This role was responsible for:

- risk management and compliance;
- governance and policy management;
- forensic investigations and the management of the Fraud Hotline, Vuvuzela;
- cybersecurity; and
- coordination of the outsourced internal audit arrangement.

The above is evidenced by the various reports submitted by the CRO to the Audit & Risk Committee during her tenure in this role.

When the secondee vacated the position of CRO, the Administrator renamed the position to Chief Governance Risk and Compliance Officer to better describe the role given the responsibilities associated with it. The job of Chief Governance Risk and Compliance Officer was advertised on 14 December 2018 in the media, on the NSFAS website as well as through a head-hunting recruitment panel. The appointment of Ms. Isaacs was recommended by the panel and signed off by the Administrator. Although not required, the Administrator also sought the approval of the Minister, who provided this approval in writing on 5 March 2019.

At no point were the requirements for the position lowered to accommodate Ms. Isaacs, who is a qualified Chartered Accountant and met all mandatory job requirements of the advertised role. After Ms. Isaacs was offered and accepted the position, she provided, at the request of the Administrator, input to the capacitation of the unit which was to report to her. NSFAS does not see any irregularity in this.

The Internal audit contract with the external service provider (EY) was terminating in October 2019 and the Administrator took the further strategic decision to insource this function and build the capability within NSFAS. While not required to do so, the Administrator consulted the Minister on this matter at the time. This further negates the allegation of placing the entity in the hands of EY.

Contrary to the allegations in the NEHAWU letter, the capacitation of the Governance Risk and Compliance Unit was just that, capacitation. All new positions were job graded, advertised and followed the full recruitment and selection processes.

On the matter of the cooling off period, NSFAS believes that NEHAWU may be referencing the South African Chartered Accountant Association (SAICA) Code of Conduct section 524. In this section, SAICA outlines the restriction and safeguards that need to be in place when the lead audit partner or senior audit team member of an **external** audit firm assumes a role as director or other official that is able to exert influence over the preparation of the financial statements at a client for whom they are providing **external audit services**. This provision therefore does not apply to Ms. Isaacs as she was playing an internal audit role and shifted to a comparative role within NSFAS.

The Institute of Internal Audit cautions against officials moving from operational roles into internal audit roles and restricts such individuals from performing audits in the areas from which they moved. Again, this does not apply in the case of Ms. Isaacs. Both the Head of EY Risk Management as well as the AGSA were consulted on any applicable cooling off periods, and both parties confirmed that none applied in the case of the recruitment of Ms. Isaacs.

9.1 Further irregular appointments

We have prepared a comprehensive response to the multiple further allegations of irregular appointments set out in the table attached to NEHAWU's submission marked "9.1 IRREGULAR APPOINTMENTS". These allegations concern the rights and interests of various current and former advisors, employees and contractors of NSFAS who have not been given an opportunity themselves to respond to NEHAWU's allegations. We do not believe it would be appropriate for these allegations to be ventilated in an open meeting of the PCHET, with associated press exposure, without the individuals concerned being given an opportunity to make representations.

For this reason, we propose that the allegations dealt with in the table be addressed by way of a parallel process which suitably protects the rights and interests of the individuals concerned. One option may be for these allegations to be dealt with as part of the Public Protector's response to the similar complaint which Bantu Holomisa has lodged with it. NSFAS will cooperate with any legitimate process proposed or initiated by PCHET in this regard. In addition, and in demonstration of our full cooperation, we are prepared to provide PCHET with a copy of our comprehensive response to the table against the express assurance that our response will be kept confidential and that neither the allegations in question nor our response will be addressed at the meeting of Friday, 9 October 2020 in a manner which discloses the identity, or otherwise comprises the rights of, the individuals concerned.

We trust that your office will find this response acceptable and hope that it addresses the allegations raised in your initial investigation letter. Should you have any further questions of clarity, please feel free to contact the Office of the Executive Administrator directly for assistance.

Yours Sincerely,



Dr Randall Carolissen
NSFAS: Executive Administrator