**MEDIA STATEMENT**

**NSFAS MUST CLOSE POLICY GAPS CONTRIBUTING TO MALADMINISTRATION, COMMITTEE RECOMMENDS**

The National Financial Aids Scheme’s (NSFAS) board appeared before the Portfolio Committee on Higher Education, Science and Innovation to brief the committee on the forensic report into allegations of corruption and maladministration in the affairs of the organisation.

The report comes after the entity experienced internal administrative challenges resulting in its failure to perform its core mandate of disbursing funds to students. This led to nationwide student protests. The Minister of Higher Education and Training thereafter placed NSFAS under administration and appointed an administrator to oversee the running of the entity.

The National Health and Allied Workers’ Union previously made submissions and presented evidence to the committee on the alleged maladministration, but later stopped participating in the investigations.

According to the report, NSFAS procured laptops for students, which it was alleged was not in keeping with its mandate, nor were the correct procurement processes followed in their purchase. Other allegations related to the appointment of employees, the conversion of fixed-term contracts to permanent employment and the administrator’s role in appointing a bloated organisational structure.

However, according to the committee, most of these allegations do not stand up to scrutiny. Even the laptop procurement was not an act of corruption, the committee said, and does fall within NSFAS’s mandate.

The committee further noted that after considering the report, it became clear that NSFAS had serious policy gaps, which could open the door for serious maladministration to occur. The committee recommended that NSFAS close any existing policy gaps to create a credible institution. It also recommended that NSFAS management concentrate on building its relationship with its workforce.

The committee noted that some irregularities occurred during the period when the entity was under administration, but others predate the arrival of the administrator.

The Chairperson of the Portfolio Committee on Higher Education Science and Innovation, Ms Nompendulo Mkhatshwa, said: “It would have been nice if those who did the investigation could reflect on the measures to mitigate some of the challenges so that the same issues don’t come up again.”

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