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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 2268**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 9/10/2020**

**INTERNAL QUESTION PAPER NO 36 OF 2020**

**Dr S SThembekwayo (EFF) to ask the Minister of Higher Education, Science and Innovation:**

(a) What measures has he taken to dissuade the National Student Financial Aid Scheme from defunding the 5000 students they publicly announced they will defund and (b) how are students expected to complete their studies if the defunding of the students continues?

**NW2841E**

**REPLY:**

(a)Section 38 (g) of the Public Finance Management Act (PFMA) on the duties of Accounting Officers dictates that **“***on discovery of any unauthorized, irregular or fruitless and wasteful expenditure, must immediately report, in writing, particulars of the expenditure to the relevant treasury, and in the case of irregular expenditure involving the procurement of goods or services, also to the relevant tender board;***”.**

The National Student Financial Aid Scheme (NSFAS) unfunded students whom it discovered were funded above the approved policy thresholds of R350 000 annual family income (students registered for the first time from 2018 onwards) and R122 000 annual family income (pre-2018 continuing students). The declared income on applications were verified against income declared to the South African Revenue Service (SARS). If NSFAS continued to fund these students above the approved policy thresholds, such expenditure would be classified as irregular.  The Minister could therefore not dissuade NSFAS from taking this action, as continuing the funding would be in contravention of the PFMA.

The Minister ensured that students whose funding was withdrawn due to the SARS income verification process had an opportunity to provide further evidence and appeal the decision by NSFAS.

(b) Students who successfully appealed the decision will continue to be funded by NSFAS. Students who did not appeal, or whose appeal was unsuccessful, may look to other sources of funding to support their studies, as they do not qualify as NSFAS beneficiaries.