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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 3851**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 28/10/2022**

**INTERNAL QUESTION PAPER NO 42 OF 2022**

**Ms N N Chirwa (EFF) to ask the Minister of Higher Education, Science and Innovation:**

What (a) steps has he taken to recoup the R5 billion meant for youth skills development that has allegedly gone missing and (b) plans have been put in place to ensure that negligence and corruption of this nature no longer takes place?

**NW4624E**

**REPLY:**

There are decisive steps which I took in addressing the detected malfeasance at the NSF. It must however be stated that the R5 billion quantum is not an accurate figure, the correct figure is much lesser than that.

At the time of the Auditor General of South Africa (AGSA) indicating that the AGSA audit process could not conclusively report on the NSF funded projects amounting to about R2.5 billion, I immediately placed the then Director-General and the Chief Executive Officer on precautionary suspensions.

Further to that I commissioned a forensic investigation on the financial affairs of the NSF to which NEXUS FORENSIC SERVICES was tasked.

The forensic report has since been received studied and presented to SCOPA and the Parliamentary Portfolio Committee of Higher Education Science (PCHESI) and Innovation.

Critical consequence management action taken since the release of the report are:

1. DHET assisted by the State Attorney office has issued further precautionary suspension letters to internal official implicated by the forensic report with the intention of taking disciplinary actions.
2. A case of criminal investigation, as recommended in the forensic report has been opened with the South African Police Services.
3. Further to these interventions, and for the purpose of recouping the NSF funds from ill-gain, the Special Investigative Unit (SIU) has been brought on board. The results thereof will be civil action claims against all parties who corruptly benefitted from the NSF skills development funding system.

The forensic investigation, much as the AGSA also did point out, exposed the soft underbelly of the NSF business operating systems which may have contributed vastly to opportunistic malfeasance conducts.

I have since commissioned a Ministerial Task Team (MTT) to look at the reconfiguration of the NSF business operating model so that it becomes an effective, efficient, and economically efficient skills development entity.

The MTT has completed its task and has submitted a report to which the Director General of the DHET has been tasked to complete the processes of implementing the report by 31 July 2023. The report has been presented to PCHESI.