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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 602**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 04/03/2022**

**INTERNAL QUESTION PAPER NO 6 OF 2022**

**Mrs P Madokwe (EFF) to ask the Minister of Higher Education, Science and Innovation:**

What was the reasoning behind the appointment of attorneys to investigate the maladministration at the National Student Financial Aid Scheme during the period 2018 to 2020, as opposed to Parliament leading the investigation?

**NW735E**

**REPLY:**

In 2020 the PCHEST received a complaint from NEHAWU and some NSFAS employees about alleged maladministration at NSFAS. The issues related in the main to the following broad categories:

1. Changes in Strategic Plan and Annual Performance Plan
2. Failures in Corporate Governance and PFMA Principles
3. Supply Chain Management Processes:
* Appointment of consultants
* Procurement of laptops for students
1. Human Resources Processes:

(i)   Appointment of Advisors and their benefits

(ii)  Appointment of other employees

(iii) Purged employees and disciplinary action against employees

The PCHEST was on the verge of instituting an enquiry into NSFAS as the result of these allegations. The envisaged enquiry coincided with the appointment of the new Board.  The new Board, therefore, requested PCHEST to afford it the opportunity to conduct its own review into these matters, PCHEST acceded to the Board’s request. The Board opted to appoint independent experts to conduct this review, the experts included an accounting firm and a legal firm, to ensure objectivity of the process. Part of the review included the reviewing of underlying records and also included deposing affidavits of either those that were named in the allegations or those that made the allegations to ensure that the process was fair and transparent.