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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 762**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 06/09/2019**

**INTERNAL QUESTION PAPER NO 14 OF 2019**

**Ms N T Mkhatshwa (ANC) to ask the Minister of Higher Education, Science and Technology:**

(1) Whether there has been any substantive progress with regard to the restoration of stability in the management of the National Student Financial Aid Scheme (NSFAS) (details furnished); if so,

(2) whether the persons who are found to have caused the degeneration of NSFAS will face legal consequences; if not, what is the position in this regard; if so, what are the relevant details?

**NW1861E**

**REPLY:**

1. Significant changes and improvements have been undertaken by the Administrator in keeping to the gazetted terms of reference of the administration period up to August 2019. This has resulted in a more stable 2019 student funding cycle in the sector.

 This can be seen most clearly in the improvements in the disbursement of student allowances in 2019, resulting in significantly less disruption to the academic programme than what occurred in 2018, where students were confirmed late in the academic year and received allowances late. In 2019, the majority of students where funding was confirmed, registration took place, and students signed their bursary agreements, received their allowances early in the academic year.

 Data exchange between institutions and NSFAS has significantly improved and resulted in a smoother funding cycle, and many errors from the 2017 and 2018 academic years have been corrected. This has a direct effect on students receiving funding at the appropriate time. Appeals are being processed efficiently and data exceptions have been reduced significantly.

There have also been improvements regarding the support provided to institutions by NSFAS to resolve problems timeously, including more direct support to Technical and Vocational Education and Training (TVET) colleges. Compliance with bursary rules has improved and this has resulted in low error numbers and outstanding or incorrect payments.

As reported in Parliament on 28 August 2019, NSFAS, while under Administration has paid significant attention to issues of organisational governance and management, including identifying high-risk areas in the business processes of NSFAS. This has included significant attention to areas of information technology (IT), governance and risk, and the management of data at the entity. Controls that are more effective have been put in place to ensure effective management and administration of IT systems.

Issues of data integrity and cyber security were identified as critical areas of work, and many challenges remain within the entity that are being addressed. Challenges with the IT systems, which regularly crashed in 2018 were urgently addressed, and IT operational systems are currently operating at 98% uptime, in contrast to daily system crashes in 2018. Disbursements are processed more effectively in 2019 on a monthly rather than a daily basis.

NSFAS has undertaken a number of forensic investigations to uncover and act in areas of fraud and maladministration. An overview of this work has been presented to Parliament and the work continues.

NSFAS has opened the 2020 applications cycle at the beginning of September 2019.

The new Administration term, together with new Terms of Reference, have been published in the Government Gazette. This is to allow for continued work to improve the operations of the entity. The Administrator and his team will also work closely with the Ministerial team that will be appointed soon to conduct a review of NSFAS business processes with a view to making decisions about NSFAS going forward.

NSFAS has a critical mandate to support funding for students from poor and working-class backgrounds in the university and TVET college sectors, and a more efficient and effective NSFAS is an absolute priority of the Administrator, supported by the Department of Higher Education and Training, and the Minister of Higher Education, Science and Technology.

1. Those who are found responsible for wrongdoing at NSFAS will face consequences. The Administrator reported in Parliament on 28 August 2019 on a number of forensic investigations underway at the entity. In some cases, disciplinary processes have already been initiated where evidence is available. In other cases, investigations are continuing. NSFAS will work with the necessary authorities, where necessary, to lay charges in cases where evidence of illegal activity is uncovered.