

Briefing on the
Strategic Plan and Budget of
the National Student Financial Aid
Scheme for 2010/11

17 March 2010



History of NSFAS

- National Student Financial Aid Scheme Act 56/1999
- NSFAS took over operations of TEFSA
- Goal = to provide student funding to academically deserving and financially needy to pursue higher education

Key service offerings from NSFAS

STUDENT

- * Providing information about opportunities
- * Providing funding for studies
- * Recovering loans once studies completed

INSTITUTION

- * Providing funding allocation for assisting students
- * Providing training and support in administering the funding
- * Monitoring how well institutions are using the money

DONORS / FUNDING

- * Providing a channel for the management of funds for loans and bursaries
- * Recovering loans once student completes studying

Total Budget for 2010/2011

R'000	2010/2011	2009/2010
Loan and bursary allocations	3 346 646	3 003 942
Administration	78 093	67 098
TOTAL	3 423 639	3 071 040

Performance and Growth to date

R'000	2005/06	2006/07	2007/08	2008/09
Revenue	1 237 283	1 384 485	1 918 290	2 559 530
Expenditure	513 463	442 508	941 023	1 431 572
Total Assets	3 798 164	4 713 455	5 692 336	6 840 974

- It should be noted that during the above period and preceding the NSFAS received unqualified audit opinion reports.

STRATEGIC GOALS

2010/2011

Strategic goals

GOAL #1: *Expanding the pool of funds available for disbursement as student loans and bursaries*

- Maximise the recovery of outstanding loans due from debtors employed in both the formal and informal sectors of the economy
- Promote the undergraduate loans and bursaries administration service which NSFAS can provide to current and prospective donors
- Raise new funding for undergraduate study from both public and private sector for targeted students and targeted programmes
- Promote partnerships with donors on specialised projects to build a resource of funds for students



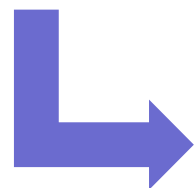
Initiatives planned to achieve Goal 1

- Review of loan book
- Growing the funds under administration, e.g. Corporate
- Review of debt recovery options
- Expand number of 1st tier NGO partners
 - Greater number of students with a range of support services
 - **1st Tier NGO budget: R9.7 million**

Strategic goals

GOAL # 2: *Effectively managing the institutional utilisation of funds administered by NSFAS in any given year*

- Maximise the utilisation of allocated donor funds per HEI
- Greater support for/facilitation of the competency and efficiency of HEI staff in Financial Aid Offices



MANAGE THE SPEND

Initiatives planned to achieve Goal 2

- Intensify communication with HEIs regarding reporting on utilisation
 - Successes in 2009/10 year (as at 10 March 2010)

EXAMPLES		
FUND	2009/10 UTILISATION	2008/09 UTILISATION
DoHET Loan Monies	99%	97%
FET Bursaries	99%	95%
Disability Funding	87%	38%

- Drive HEIs to apply NSFAS process for payment of registration fees
 - Up to 30% of total annual allocation can be claimed upfront from NSFAS
 - 13 of the 23 Universities applied this policy during 2010 registration

Initiatives planned to achieve Goal 2

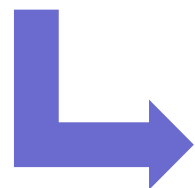
- Tightening reporting and submission of claims deadlines
- Ongoing training of Financial Aid Office staff (Budget: Ro.5 million)
 - BUT some HEIs face challenges regarding staff turnover, appointing staff etc.

LOAN AND BURSARY BUDGETS (R,000)		
	2010/2011	2009/2010
DE (General)	2 064 283	1 820 835
DE (Teacher)	91 626	85 499
DE (Students with Disabilities)	74 300	50 000
DE (SAICA)	25 770	18 000
Funza Lushaka	424 000	400 000
Private Sector	15 000	15 000
FET Colleges	318 000	300 000

Strategic goals

GOAL #3: *Strengthening internal efficiencies in the processing of student awards/claims to ensure that funding reaches target population*

- Improve processing efficiency for loan and bursary agreements
- Reduce the administration demand on FAOs and NSFAS data capturing units by enhancing electronic systems (HEIs only)
- Provide a high level of information technology infrastructure and services to all institutions



PUSH THE PAYMENTS

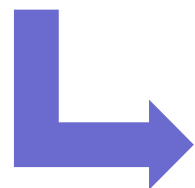
Initiatives planned to achieve Goal 3

- Restructure within NSFAS operations area to allow for separate focus on processing of loans and bursaries respectively – geared to speed up turnaround times
- Electronic Loan Agreement Forms (“ELAFs”) at 3 pilot site universities to be evaluated for the project
- Implement the distribution of statements to debtors by SMS
- Implement Mobi site to allow students to access the NSFAS website via cellular phone in order to view statements, update contact details etc.
- Plan for the development of ITS system to allow for electronic reporting by Financial Aid Offices.
- Postage, stationery and ICT services - **Budget: R11.8 million**

Strategic goals

Goal 4: Strengthening the quality of internal management and operations in line with changing funding patterns

- Provide a high level of information technology both internally and with all donors
- Ensure that the organisational risk, governance and regulatory requirements environment is assessed and risk minimised across the NSFAS value chain
- Ensure the NSFAS human resource management and administration practices are in accordance with best practices



MANAGE THE SYSTEM

Initiatives planned to achieve Goal 4

- Operational risk, governance and compliance (**Internal/External Audit Budget: R6,2 million**)
 - Implementation of Enterprise Risk Management (ERM)
 - Organisational and Stakeholder Risk Assessments
 - Operational and IT Risk Based Audits as an outflow from the Risk Assessments
 - Detailed Organisational and IT Governance and Regulatory Reviews
 - Internal Audit co-sourcing rollout
 - Compliance Audits of all 23 HEIs and Implementation of Compliance Audits of FETCs
 - Implementation and monitoring of Fraud Prevention, Business Continuity and new Supply Chain Management/Procurement Strategies and Plans

Initiatives planned to achieve Goal 4

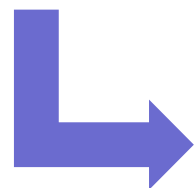
- Human Resources (**Salary budget: R28 million**)
 - Performance management system for all staff – work in progress
 - Skills audit

- IT developments (**Budget: R4,6 million**)
 - ACCPAC rollout continues
 - Systems development to create separate systems for loans vs. bursaries, universities vs. FETC
 - Development of portal services for institutions and donors

Strategic goals

GOAL # 5: Effectively communicating and managing the relationship with all NSFAS stakeholder groups and targeted audiences

- Improve awareness of undergraduate funding opportunities available through NSFAS amongst current and prospective students in rural and urban South Africa, using and testing alternative channels of communication
- Engage with HEIs, schools liaison officers and financial aid offices iro marketing opportunities



SPREAD THE MESSAGE



Initiatives planned to achieve Goal 5

- Direct and indirect communication initiatives with target audiences
 - Large workshop events in major centres
 - Use of targeted media, including radio (to reach rural areas)
 - SMS facility for queries from learners to be expanded
 - Participating in career exhibitions, open days and community events
 - School visits – focus on rural areas

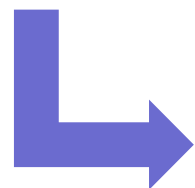
- Testing communication initiatives
 - Survey students regarding knowledge of NSFAS
 - Done in February/March 2010 during university registration

- **Budget: R12,2 million**

Strategic goals

GOAL # 6: *Undertaking research that informs the effective utilisation of available funds and serves to advise the Minister on matters related to student financial aid*

- Strengthen policy and advisory support through the development of analytical reports on the impact of the NSFAS
- Collaborate and consult with stakeholders in the higher education sector to inform policies and ensure co-ordinated responses to matters related to student financial aid
- Address the responsiveness of the student and institutional funding framework to ensure that deserving students are funded at the institution of choice



KNOW THE INDUSTRY



Initiatives planned to achieve Goal 6

- Relationship building with organisations in higher education sector, e.g. CHE, HESA
- Enhancements to the Allocations Model and Means Test – will be informed by Ministerial Review recommendations
- Strengthening management information systems to assist with strategic planning and policy development
- **Budget: Ro.6 million**

Q & A