

Call for task team to review NSFAS business processes

The Portfolio Committee on Higher Education, Science and Technology has urged Minister Blade Nzimande to expedite the establishment of the Ministerial Task Team to review the business processes of the National Student Financial Aid Scheme (NSFAS).



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The committee said the Ministerial Task Team will make long term recommendations on the future models, structures, systems and business processes necessary for effective NSFAS.

This follows the dismal performance by NSFAS in the 2018/19 financial year. NSFAS has achieved only two of the 16 targets planned for the financial year under review.

The committee said it is seriously concerning that NSFAS has not been performing for a number of years, especially on the core mandate of disbursing funds to eligible students.

“It is unacceptable that the entity attributes its poor performance to the fact that the key performance indicators were not developed in line with the SMART criteria.

“Notwithstanding the fact that the Administrator was appointed to take over governance and management and bring stability to the entity, it appears that more focus was on crisis management and less focus on ensuring that predetermined targets were achieved,” said Committee Chairperson, Philly Mapulane.

Mapulane said of great concern is that the entity incurred R7.6 billion in irregular expenditure and that more irregular expenditure is being uncovered, “which means that the amount of irregular expenditure will possibly increase.”

“We are concerned that NSFAS has not investigated irregular expenditure and implement consequence management,” Mapulane said.

NSFAS investigation underway

Meanwhile, NSFAS Administrator, Dr Randall Carolissen, said that the scheme is investigating the root causes of these contraventions and will take appropriate steps in terms of the National Treasury framework on irregular expenditure.

“It is important to understand that the cumulative figures to March 2019 and the restatement of cumulative figures to March 2018 result from the determination that the extent of the primary contributors also related to previous years,” Carolissen said.

Briefing the committee on Wednesday, Carolissen confirmed the cumulative irregular expenditure of R7.5 billion in the 2018/19 financial year after reviewing data sets from prior years. In the previous financial year, the cumulative irregular expenditure was only R303.5 million.

Carolissen said the primary contributors of the R7.5 billion include R1.2 billion disbursements in excess of contract amounts, R2 billion shifting and use of earmarked historic debt funds, and R4.3 billion disbursements with respect to Non-Compliance with Laws and Regulations (NOCLAR).

In the 2018 annual report, NSFAS disclosed a total of R303.5 million in irregular expenditure, as defined in the National Treasury framework on Irregular Expenditure. R284.7 million of this was due to the impact of payments in excess of contractual amounts.

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