

18 May 2021

## Press Briefing

The Chairperson of the Portfolio Committee on Higher Education, Science and Technology  
Mr Mohlopi Philemon Mapulane;

Honourable Members of the Parliamentary Portfolio Committee

Members of the NSFAS Board;

Officials of the Department of Higher Education and Training;

Chief Executive Officer of NSFAS, Andile Nongogo;

Management and staff of NSFAS and

Invited guests and members of the media

Greetings to you all.

On behalf of the National Student Financial Aid Scheme (NSFAS) and its Board members, I would like to welcome everyone who is among us today.

The NSFAS Board requested to meet the Portfolio Committee on Higher Education, Science and Technology (PCHEST) to introduce itself given that it was appointed on the 1 January 2021. Furthermore, the Board wanted to share its strategy with the PCHEST to turnaround the organization and to pledge its commitment of cooperating with PCHEST as an oversight structure of Parliament.

The Board is quite pleased that PCHEST agreed to its invite, in the past there had been a perception of an adversary relationship between PCHEST and NSFAS given the robust nature of the engagements. However, as the NSFAS Board, we understood this in the context of the strategic nature of this organisation in that it is charged with safeguarding and nurturing the hopes and dream of this nation.

It is public knowledge that in 2018, the scheme was converted into a fully bursary fund from being a provider of student loans. Given that there was a short time to execute this new mandate, the scheme was not appropriately designed and prepared to handle this change. Consequently, this led to operational challenges that are widely known, which ultimately contributed to the organisation being placed under Administration. Despite these challenges, the scheme continued to grow and has contributed to changing the lives of many South Africans.

To illustrate, in 2017, there were 254 826 students funded, and 40 564 graduates were produced. In 2018 these number grew by 41,84% leading to 361 449 students funded, and 59 249 graduates were produced.



National Student Financial Aid Scheme

In the current tenure of the new board, we have seen the following achievements:

- 1 263 671 students have been assessed as eligible for funding.
- 712 428 being first time entry students and 551 243 being continuing students, spilt 323 445 TVET and 940 226 Universities.

While we have noted these achievements, there continues to be challenges that the organisation faces, which ultimately impact on the student experience, namely:

- Student funding shortages
- Student centred model – delays in funding decisions, appeals processing, disbursements; weak queries resolution mechanism; policy issues such as the N+ 2 rule, absentee parents, postgraduate funding, student accommodation etc.
- Organisational structure that is not aligned to student centred model, lack of consequence management, lack institutional performance management
- Negative audit outcomes; and
- Systems that are not fully responsive to the core business of the organisation

In today's engagement with the PCHEST, the Board was sharing its strategies to address amongst other issues, the issues listed above as follows:

- Over and above the sub-committees envisaged in the Act, the Board has established the Human Resources, Ethics and Remuneration Committee, Operations Committee, ICT Steering Committee to dedicate attention to some of the challenges faced by the organisation.
- On the student funding, we will support the work of the DHET in assessing funding mechanisms. Furthermore, the Board is developing a fund-raising strategy.
- On the student centered model, we have commissioned an application system and process that will make real time funding eligibility decisions; appeals will be immediate for new students and for continuing students a new appeal portal will be introduced in the second semester which will assist in timely decision making. Furthermore, the Board, working with the DHET is exploring some funding policy issues.
- The Board has initiated the process of reviewing the organizational structure to align to the student-centered model. This work is expected to be completed within 3 months. Furthermore, we are institutionalizing performance management throughout the organization.



National Student Financial Aid Scheme

- We have also dedicated attention to addressing negative audit outcomes, while there is still a need to improve the control environment, we will be in a position to submit our financial statements within the statutory deadlines. However, it should be noted that some issues can only be fully resolved over a longer period.
- We have also initiated processes to improve our ICT Governance Framework; institutionalize cyber security, we have also changed our ICT operational model into a co-sourcing model to leverage of ICT skills of the industry. Furthermore, we have also initiated the process to acquire a fully integrated workflow system for our core business, while this is a medium-term solution, in the short term we are building individual modules, such as the applications module and the disbursement module.

In conclusion, we obtained some valuable inputs from the PCHEST which we will incorporate in our strategies. As a principle, the current board recognizes the value of continuous, constructive and consultative engagements with PCHEST, towards achieving the shared goal of turning the institution around for the benefit of the key stakeholder, the student.