



National Student Financial Aid Scheme

MEDIA STATEMENT

February 11, 2022

STATEMENT ON THE CONVICTION OF MS MANI WHO WAS ERRONEOUSLY PAID R14 MILLION BY INTELLIMALI - A PRIVATE COMPANY DISBURSING FUNDS ON BEHALF OF THE WALTER SISULU UNIVERSITY

The National Student Financial Aid Scheme (NSFAS) would like to provide facts on the conviction of Ms Sibongile Mani, a student who was erroneously paid R14 million by Intellimali – a service provider to Walter Sisulu University to disburse funds to students.

NSFAS was informed that on June 01, 2017, an incorrect amount of approximately R14,000,000 (“R14m”) was disbursed to a student registered with Walter Sisulu University (“WSU”), funded by a National Student Financial Aid Scheme (“NSFAS”) loan.

NSFAS was informed that WSU appointed Intellimali as a service provider to administer the payment of allowances to WSU students. At the time NSFAS had a meeting with the Walter Sisulu University (WSU) and service provider Intellimali, to conclude a way-forward regarding the R14 million saga. The three parties confirmed to the South African public that:

- No public funds were lost in the unfortunate process that led to the R14 million error and the R818 000 that was subsequently misappropriated by the student. Preliminary investigations by the service provider had established that these funds belonged to the university, and not NSFAS as initially believed;
- The service provider reimbursed WSU the full amount misappropriated by the student;
- No WSU employee was found to have been involved in the erroneous crediting of the R14.1 million into the student's IntelliCard account, and that there was no system breach thereof;
- The then WSU Vice Chancellor, Prof. Midgley, expressed gratitude that Intellimali has taken full responsibility for the error and took steps to reimburse the R818 000 loss to ensure that no future student allowances are affected;
- No steps were taken by WSU against the student. The university had opted to await the outcomes of the forensic investigation by a reputable auditing firm, before considering any further steps;
- WSU provided counselling to the student to ensure that she can continue with her studies;

Unfair treatment of NSFAS by the media

While we appreciate the role of the media in society, and its editorial independence, it remains our responsibility to hold the media accountable for its failure to exercise accuracy, and failure to treat news with due impartiality. We expect the media to provide impartial news and information, to help the public understand and engage with its output without bias.

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During the reporting of the R14 million error, the media failed to give due weight to sequence of events, and to main strands of argument. The approach and tone of news stories always reflected poor editorial values, non-commitment to impartiality and a serious bias against NSFAS.

Despite the facts provided, the media pushed inaccurate narrative that NSFAS was responsible for the error. This created a wrong perception and compromised our integrity and brand trust.

The presenters, reporters and correspondents that were intimate with the story had a significant impact on how the public should interpret the error. No due impartiality has been achieved in this regard. Due to the approach taken by most journalists, NSFAS name was brought into disrepute despite several media statements released to provide sequence of events and how the error happened.

Media statements issued to provide facts

Date	Media Statement	Description
August 2017	Statement by Intellimali CEO	Third party takes responsibility for the error
August 2017	Statement by NSFAS	WSU confirms R14 million will not affect NSFAS funded students
September 2017	Statement by Intellimali	Third party confirms fraud probe on Ms Mani
September 2017	Joint Media-Statement between NSFAS, WSU, and Intellimali	Appointment of forensic investigators
May 2018	Statement by NSFAS	Arrest of Ms Mani
July 2018	Statement by Sibongile Mani' Spokesperson	Confirmation that Ms Mani is still funded by NSFAS.

Protecting the rights of Ms S Mani, and affording her the constitutional right to education

NSFAS stands by its commitment to provide financial aid to eligible students at public TVET colleges and public universities; to identify eligible students, provide bursaries, and collect student loan repayments to replenish the funds available for future generations of students. NSFAS further supports access to, and success in, higher education and training for students from poor and working- class families who would otherwise not be able to afford to study.

Ms Mani's case was no exception. Given the incident above, the NSFAS Board at the time acted as follows:

- Appointed a forensic team to investigate whether NSFAS or its employees were implicated in the error- and the report concluded that NSFAS and its employees were not implicated;
- Requested WSU and its service providers perform their own forensic investigations into the matter;
- Decided to reaffirm its commitment to continue funding Ms Mani, until she has been found guilty by a court of law;
- Respected Ms Mani's rights, and treated her like any other funded students without prejudice
- Enhanced its control environment and improved MOUs it has with institutions.



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Conviction of Ms Mani

NSFAS notes the conviction of the WSU student, Sibongile Mani, on the theft charges at the East London Regional Court, with sadness. We reserve our right not to enter the court of public opinion about the conviction, because it is clear and it has been proven that Ms Mani did not receive R14 million from NSFAS.

NSFAS will follow the pre-sentencing proceedings to be heard on March 18, 2021, and will then decide if further comment is appropriate. However, we welcome the fact that the court was able to prove that NSFAS did not have a role in the erroneous payment, and subsequently the spending.

Vindication of NSFAS in the R14 million saga

NSFAS appreciates that it has been proven beyond doubt that it was not involved in the wrong payment of the R14 million. The scheme wishes to categorically reiterate the following facts, as stated in 2017:

- No financial loss on the part of NSFAS was suffered as a result of the payment error
- No payment of R14 million was transferred into any student or university account - intended for Ms Mani
- A normal monthly payment of R1 400 was paid by NSFAS to WSU intended for Ms Mani
- No relationship or contractual agreement exists between NSFAS and Intellimali for the disbursement of student funds.
- The CEO of Intellimali, confirmed that, **“Intellimali takes full administrative and financial responsibility for the incident. Neither the funder, National Student Financial Aid Scheme (NSFAS) nor the university (WSU) have erred in any way, and they are not responsible for this.**

NSFAS is improving its disbursement processes through a direct disbursement mode from NSFAS to the student bank account. An announcement will be made in due course about this initiative by the new NSFAS Board.

On behalf of the NSFAS Board, management wishes to thank all the stakeholders, investors, funders, partners and students who believed in the scheme and supported MS Mani during this difficult time.

We will continue our consultations with the student leadership and formations across the country, to ensure that student's interests are at the heart of everything we do.

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Issued by:

**National Student Financial Aid Scheme
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