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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 966**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 22/05/2020**

**INTERNAL QUESTION PAPER NO 17 OF 2020**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education, Science and Technology:**

(1) What (a) amount of the R7,8 billion of irregular expenditure uncovered at the National Student Financial Aid Scheme (NSFAS) when the administrator took charge of the organisation (i) has been cleared and (ii) remains to be cleared and (b) is the timeline for clearing the irregular expenditure;

(2) what are the key performance areas (KPAs) of the administrator of NSFAS for the current year;

(3) whether he intends to extend the administrator’s term of office in order to make sure that the administrator fulfils the KPAs and the tasks that were set; if not, why not; if so, for how long?

**NW1255E**

**REPLY:**

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| **1.** | **1 (a) (i)** | **1 (a) (ii)** | **1 (b)** |
| Shifting of earmarked funds (historic debt) | R1.963 billion |  | In the process of being written off. |
| Disbursements with respect to NOCLAR |  | R4.359 billion | This should be closed out during the 2020/21 financial year, including recoveries.  |
| Disbursements in excess of contract amounts |  |  | NSFAS has applied to the Credit Regulator for a waiver to this legislative requirement.  |
| Other  | R6 million |  | The investigation is complete and findings indicate that no was loss incurred but it was rather a compliance matter only. |

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(2) The key performance areas of the Administrator are:

* Finalise the close out of the 2017/18 student funding cycle, including the finalisation of all data exchange and final payments. - Ensure the effective close out of the 2019 funding cycle and provision of accurate data to the Department.
* Ensure effective preparation for, and implementation of, the 2020 student funding cycle in consultation with the Department.
* Ensure that the entity pays adequate attention to both TVET colleges and universities in all aspects of its core business processes.
* Maintain a close and productive working relationship between NSFAS and the universities and TVET colleges.
* Put in place the necessary management and governance controls to ensure that all risks of the 2020 student funding cycle are appropriately managed, with the support of the Department and institutions as necessary.
* Manage the day-to-day work of the entity and steer NSFAS to address its operational challenges fully.
* Oversee the process of appointing new executive staff at NSFAS, in terms of a process agreed with the Department.
* Ensure a smooth transition between the administration and the new executive staff. - Oversee all forensic and other investigations necessary for the effective operation and management of the entity and any follow up required.
* Provide support to the Ministerial Task Team appointed by the Minister.

(3) The Minister of Higher Education, Science and Innovation does not intend to extend the term of office of the Administrator unless conditions dictates otherwise. The process to finalise the appointments of vacant senior executive management posts, including the appointment of the Executive Officer is underway. The terms of reference of the Administrator states that he must ensure a smooth transition between the administration and the new executive staff. The Minister is in the process of initiating the appointment of a new Board in terms of Section 5 of the NSFAS Act 56 of 1999.