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THE USAF BOARD DIRECTORS WELCOMES THE DECISIONS OF THE NSFAS BOARD PERTAINING TO FINDINGS OF AN INVESTIGATION INTO THE APPOINTMENT OF STUDENT ALLOWANCES DIRECT PAYMENT SERVICE PROVIDERS

The Board of Directors of Universities South Africa (USAf) welcomes the decisions of the Board of the National Students Financial Aid Scheme (NSFAS):

- To terminate the contracts of the four direct payment service providers;
- To prompt the NSFAS CEO to motivate why his contract should not be terminated;
- To subject the NSFAS staff associated with wrongdoing to a disciplinary enquiry and
- To review the NSFAS supply chain management policy.

According to Dr Phethiwe Matutu, Chief Executive Officer and Spokesperson of USAf, it is only prudent to terminate the services of the four companies, given NSFAS's prior negligence to undertake due diligence on them and to establish their fitness for purpose. She said the USAf Board is watching with interest, the outcome of the processes concerning the NSFAS CEO and the disciplinary enquiry pertaining to staff involved in wrongdoing. Of concern are the policies and systems in and outside the NSFAS, which enabled wrongdoing to occur.

“The USAf Board hopes that these due processes will be expedited, so that the disbursement of funds to students is restored to normalcy. Ultimately, this is about making sure that the study life of needy and academically deserving students is not disrupted any further. It is also about ensuring that all NSFAS-funded students conclude the 2023 academic year successfully – without any further uncertainty.”

A pilot remains imperative

Considering that NSFAS ignored USAf's recommendation in November 2022, to pilot their preferred mode of payment in fewer selected institutions before implementing it full-scale, Dr Matutu said she hoped that NSFAS would go re-consider its stance in this regard, so as to learn and to implement the project at a later stage, from a more informed position. Dr Matutu said by going full-scale before testing their capabilities and challenges on the ground, NSFAS had almost plunged the entire public university sector into chaos during 2023 when no fewer than eight universities were destabilised by student protests. The USAf CEO noted, regrettably, that the damage incurred on institutional infrastructure as a result of students' protests cannot be reversed or erased by NSFAS's remedial actions. Furthermore, some students are still suffering the consequences of NSFAS service providers' inefficiencies.

Conclusion

In conclusion, Dr Matutu reiterated the USAf Board of Directors' standpoint to the effect that a well-functioning student financial aid facility fulfils the dreams of financially needy students who would otherwise have never accessed higher education. An effective NSFAS that upholds good

governance can only enhance the higher education transformation agenda by advancing inclusivity of access, retention and success.

“We categorically equate the success of NSFAS to the success of the entire post-school education and training sector, given the reported wide reach of the scheme to 1,1 million students in 2023. It is therefore imperative that NSFAS restores the administration of student processes to normality, ” Dr Matutu concluded.

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