



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NFS appointed to investigate NSFAS allegations

4 May 2-16 - The Department of Higher Education and Training has appointed Nexus Forensic Services (NFS) on 23 September 2015 to conduct an investigation into allegations of fraud and corruption in the allocation of the National Student Financial Aid Scheme (NSFAS) at ten identified public universities, Technical and Vocational Education and Training (TVET) colleges.

The terms of reference were to conduct a comprehensive audit for the 2012, 2013 and 2014 academic years to determine the extent of misrepresentation and fraud committed by students who qualified and have received financial aid, including parents and guardians, employees of public universities and TVET colleges, NSFAS and individuals who have manipulated financial aid processes to defraud NSFAS.

The audit included the following:

- Applicants and family members/guardians who have knowingly provided false information on their applications for financial aid;
- Applicants who have intentionally misrepresented their family income by purposefully providing false information on the certification of affidavits in terms of Section 9 of the Justice of Peace and Commissioners of Oaths Act 16 of 1963 and Regulations under the Act;
- The validity of affidavits submitted and signed in terms of Section 5, 6 and 7 of the Justice of Peace and Commissioners of Oaths Act 16 of 1963 and applicable Regulations;

- The allegations of persons who impersonate Commissioners of Oath in order to certify falsified documentation to defraud NSFAS for personal gain;
- Applicants who have purposefully altered documentation used in the validation of the financial aid application and approval process that resulted in the receipt of financial aid;
- Service providers who collude with students to defraud the NSFAS;
- Staff at financial aid offices at universities, TVET colleges and NSFAS who deliberately do not comply with NSFAS and donor guidelines on eligibility and academic criteria to defraud the NSFAS;
- Nepotism and conflict of interests in the allocation of NSFAS financial aid at financial aid offices at public universities and TVET colleges;
- The identification of the shortcomings and weaknesses in the NSFAS loan and bursary system, including the current NSFAS guidelines and rules applicable to public universities and TVET colleges, with clear recommendations to address fraud risks identified;
- The investigation must be concluded within 12 months. The Department may decide to extend the investigation based on the extent of the allegations of fraud and corruption at a particular institution; and
- The service provider will be required to attend monthly meetings and present progress reports to the Director-General or his delegate. At the conclusion of the 12 month period, the service provider will provide a comprehensive report covering all the allegations, findings and recommendations to the Director-General in an accessible format.

The time line for the completion of the report was that the investigation must be concluded within 12 months from the date of appointment. At the conclusion of the 12 month period, the service provider provided a comprehensive report covering all the allegations, findings and recommendations to the Director-General. The Department identified 10 institutions covering a range of provinces and institutional types for the initial investigation, and may decide to extend the investigation based on the extent of the allegations of fraud and corruption at a particular institution. Below are the initial identified institutions:

- Tshwane University of Technology;
- Durban University of Technology;
- University of Limpopo;
- North-West University;
- University of the Witwatersrand;

- University of Zululand;
- Majuba TVET College;
- King Hintsa TVET College;
- Ehlanzeni TVET College; and
- Buffalo City TVET College.

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