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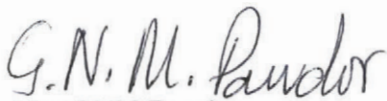
Contents

<i>No.</i>		<i>Gazette No.</i>	<i>Page No.</i>
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS			
Higher Education and Training, Department of/ Hoër Onderwys en Opleiding, Departement van			
866	National Student Financial Aid Scheme Act (56/1999, as amended): Appointment of an administrator for the National Student Financial Aid Scheme	41851	4

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF HIGHER EDUCATION AND TRAINING**NO. 866****21 AUGUST 2018****NATIONAL STUDENT FINANCIAL AID SCHEME ACT (ACT 56 OF 1999 AS AMENDED)
APPOINTMENT OF AN ADMINISTRATOR FOR THE NATIONAL STUDENT FINANCIAL
AID SCHEME**

I, Grace Naledi Mandisa Pandor, MP, Minister of Higher Education and Training, in terms of Sections 17A to 17D of the National Student Financial Aid Scheme Act (Act 56 of 1999, as amended) hereby appoint Dr Randall Carolissen as an Administrator for the National Student Financial Aid Scheme (NSFAS). The terms of reference for the Administration are attached hereto.



Mrs GNM Pandor

Minister of Higher Education and Training

Date: 16-8-2018

TERMS OF REFERENCE**MINISTER OF HIGHER EDUCATION AND TRAINING****ADMINISTRATOR FOR THE NATIONAL STUDENT FINANCIAL AID SCHEME****Preamble and Background:**

In terms of the NSFAS Act (56 of 1999, as amended), the Minister of Higher Education and Training may appoint an Administrator for NSFAS in terms of Sections 17A to 17D of the Act, as follows:

17A Appointment of administrator

- (1) *Notwithstanding any other provision of this Act, the Minister may, after consultation with the board if practicable, appoint a person as administrator to take over the management, governance and administration of the NSFAS and to perform the functions of the NSFAS if-*
- (a) *an audit of the financial records of the NSFAS or a report by a Ministerial Committee reveals financial or other maladministration of a serious nature or the serious undermining of the effective functioning of the NSFAS;*
 - (b) *any other circumstances arise that reveals financial or other maladministration of a serious nature or the serious undermining of the effective functioning of the NSFAS; or*
 - (c) *the board requests such appointment.*
- (2) *The Minister may only act in terms of subsection (1) (a) or (b) if the appointment of an administrator is in the interests of the NSFAS and higher education and training in an open and democratic society.*
- (a) *The Minister appoints an administrator for such period as may be determined by the Minister but such period may not exceed two years.*
 - (b) *The Minister may extend the period contemplated in paragraph (a) once for a period not exceeding six months.*

17B Assistance to the administrator

An administrator appointed in terms of section 17A may, with the approval of the Minister, appoint any other person with suitable knowledge and experience to assist him or her in the performance of his or her functions.

17C Remuneration and allowances

The Minister, with the approval of the Minister of Finance, may determine the remuneration and allowances to be paid to the administrator and any other person appointed in terms of section 17B.

17D Dissolution of the board

The board is dissolved from the date the Minister appoints the administrator in terms of section 17A (3) (a).

The Minister has, through engagement with NSFAS in 2018, raised serious concerns about the failure of NSFAS to effectively confirm funding for students and disburse funding timeously to students in technical vocational education and training (TVET) colleges and universities.

The Department of Higher Education and Training (the Department), with experts from the sector and the support of the Board, have provided support to the entity during 2017 and 2018. However, despite this support, the entity continues to face serious challenges in its business processes, IT systems, capacity, and policies and controls.

These challenges have had a grave effect on the student funding environment since 2017, and have been exacerbated in 2018. Should these matters not be addressed urgently, the challenges facing the entity will continue to negatively impact on the effective implementation of government funding for poor and working-class students to enable them to access higher education and training, and succeed in their studies.

In my view, these circumstances, in relation to Section 1 A, 1 (b) of the NSFAS Act, the failures and delays at the entity have had a serious effect on undermining the effective functioning of the entity in carrying out its core mandate.

The Administrator may appoint the necessary technical expertise to provide support during the period of Administration, in consultation with the Department.

Terms of Reference:

The Administrator will take over the Governance, Management and Administration of NSFAS for a period of one year from the date of this Gazette.

The general and specific terms of the Administrator during this period will be to:

- Ensure the effective close out of the 2017 and 2018 student funding cycles. This involves resolving data integration challenges as a matter of urgency, finalising all necessary funding decisions, ensuring reconciliation of funding data between universities and TVET colleges and NSFAS, ensuring that all the necessary

agreements are in place and that students are accurately funded and recorded, and making sure that all NSFAS qualifying students receive funding.

- Oversee the opening of the 2019 online applications process, ensure that all necessary partnerships for managing the applications process are in place and can be effectively monitored, and develop and manage a communications plan for the application period.
- Develop, in consultation with the Department, universities and TVET colleges, an effective and realistic plan for the 2019 funding cycle and ensure that all parties understand all the roles and responsibilities, and any necessary implementation support is made available as needed.
- Ensure that the entity pays adequate attention to both TVET colleges and universities in all aspects of its core business processes.
- Put in place the necessary management and governance controls to ensure that all risks of the 2019 student funding cycle are appropriately managed, with the support of the Department and institutions as necessary.
- Ensure that adequate plans are in place to make funding decisions at the earliest possible time of the year as close to the period of registration as possible.
- To manage the day-to-day work of the entity, and steer NSFAS to address its operational challenges fully. This will include the strengthening of structures, systems and policies that will ensure good governance and effective management of the core operational mandate of NSFAS.
- To oversee all necessary forensic and other investigations necessary for the effective operation and management of the entity.
- To work closely with the Ministerial Committee of Inquiry appointed by the Minister to review the business processes of the entity and make long-term recommendations on the future models, structures, systems and business processes necessary for an effective NSFAS.
- To maintain a close and productive working relationship between NSFAS and the universities and TVET colleges, with a view to re-establishing a NSFAS presence on campuses from 2018 onwards.

The Administrator will report to the Minister of Higher Education and Training or her delegated officials. Besides other forms of communication and interaction with the Ministry and Department of Higher Education and Training, the Administrator must submit a written report every three months on the progress regarding the above issues. The Administrator may appoint technical experts where necessary to assist in the different areas.

The Administrator will commence duties on the date of publication of this notice.

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