

University of Pretoria settles R400m NSFAS unallocated funds

The University of Pretoria (UP) has fully paid the R400m that is due to the National Student Financial Aid Scheme (NSFAS) in unallocated funds.



Source: [Pexels](#)

In a statement on Tuesday, 12 March, the Special Investigating Unit (SIU) said the money paid by the university was in unallocated funds from 2016 to 2021.

SIU spokesperson, Kaizer Kganyago, said the money was paid in four instalments of R100,000 into the SIU's trust account, bringing the total recoveries to R937,926,351 received from institutions of higher learning, since the investigating unit's NSFAS investigation launched in September 2022.

Kganyago said the unallocated funds are monies for students who qualified for funding but either changed institutions or deregistered.

The funds stay in the possession of the institution for a year.

"The unallocated funds are due to poor control systems and a lack of reconciliation processes by the NSFAS and were not collected from institutions of higher learning. When approached by the SIU, the institutions cooperated, which led to a quick recovery process," Kganyago explained.

Kganyago said the SIU has so far recovered the funds from institutions of higher learning, including the West Coast College which has repaid R5 057 679; NorthLink College R33,369,404.97; Walter Sisulu University R 19, 900, 174; Nkangala TVET College R342, 672.50 and the University of Johannesburg R311, 892, 088.94, among others.

Kganyago said the SIU has also signed an acknowledgement of the debt agreement of R38, 707 884.10 with Motheo TVET College in the Free State, as well as debt agreement of R10, 997, 855.50 with parents and students who did not meet the NSFAS funding criteria.

According to the SIU investigation, NSFAS failed to design and implement controls to ensure there is an annual reconciliation between the funds disbursed to the institutions and the allocation of those funds to the students.

The control weaknesses have led to overpayments and underpayments of funds to the different institutions over the period 2017 to date.

Kganyago said the NSFAS has recently appointed a service provider to assist them in performing the reconciliation via a process called “close-out reporting” which is ongoing.

The SIU has also found that Celbux – the e-wallet/voucher payment system- had many “dormant” accounts lying active on the Celbux system dating back to 2018 amounting to an estimated value of R320m.

Celbux is a financial technology provider that facilitates the disbursement of money, on behalf of customers to anyone with a cell phone in a digital form.

On NSFAS-funded accommodation, the SIU discovered that details of the accommodation, including physical addresses and details of the landlord or owner of the accommodation were not captured on the NSFAS system.

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