

## NSFAS adopts recommendations of report into CEO

The National Student Financial Aid Scheme (NSFAS) board has adopted the recommendations of the report into allegations on the appointment of direct payment service providers and resolved to implement them.



Source: [Unsplash](#)

Board chairperson, Ernest Khosa, revealed this during a media briefing on Wednesday to publicly release the outcome of the investigations into allegations on the appointment of the direct payment service providers.

Khosa explained that the board appointed Werksmans Attorneys and Advocate Tembeka Ngcukaitobi to conduct an investigation into the allegations of irregularities relating to Bid NO. SCMN022/2021.

The investigation follows allegations against the NSFAS CEO, Andile Nongogo, relating to his conflict of interest in the appointment of service providers.

“The Board met on 15th October 2023 here in Pretoria to consider the findings and recommendations by the investigators as captured in this interim report as presented by the Werksmans Attorneys and Advocate Tembeka Ngcukaitobi SC.

“The board has since adopted the recommendations of the report and resolved to implement them,” Khosa said.

On Monday, the board, met with the Minister of Higher Education, Science and Innovation, Dr Blade Nzimande, to brief him on the outcome of the investigations, which culminated in the interim report.

The information that the investigators relied on consists of both documentary evidence and interviews.

Yesterday, the board wrote a letter to Nongogo and gave him a copy of the report and also met with the representatives of the four direct payment service providers to bring the content of the report and its implication to their attention.

## Method of direct payments

Notwithstanding the current challenges, the board reaffirmed its commitment to implement the direct payment solution.

“The board views the direct payment solution as necessary measure to reduce instances of unauthorised access to beneficiaries’ allowances, payment of ghost students, inconsistencies and delayed payments of allowances. The direct payment solution is in-line with the Student-Centered Model which NSFAS adopted,” he said.

In addition, the board noted that there was no feasibility study before the current implementation of the direct payment system, particularly the justification for the appointment of the four service providers.



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Johnnie Isaac 13 Oct 2023



“There was no reason furnished to the investigators [as to] why the feasibility study was not conducted, which is a critical part of the project preparation for the implementation of the project.

“Such an assessment would have enabled NSFAS to make an informed decision on the proposed solution and to evaluate the practicability and chances to success of the proposed direct payment solution,” Khosa said.

## Allegations against the CEO

The report established that Nongogo actively participated in the presentation to the Bid Evaluation Committee (BEC) of proposals by service providers.

Khosa said that this is a material violation of the public procurement processes of NSFAS, which he was employed to safeguard and uphold.

Furthermore, the report revealed that there seemed to have been a conflict of interest in the appointment of these four fin-tech service providers.

“The report also states that the CEO appointed Dr Chirwa to assist the BEC as a technical advisor. This appointment was inherently incorrect, as the 2021 SCM [Supply Chain Management] Policy does not provide for the appointment of an expert to the Bid Evaluation Committee (BEC).

“The report noted that the aforementioned SCM policy and position was altered in the 2023 SCM Policy to cure the defect of appointing Dr Chirwa in the BEC when the 2021 SCM Policy did not provide for such.”

Khosa mentioned that what is more noteworthy is that Dr Chirwa’s association with certain companies that were appointed

as service providers, both at the Service SETA (SSETA) and at NSFAS.

The companies in reference are eZaga Holdings in which eZAGA Remit is a subsidiary, Africawide Consulting and Africawide Foundation.

“According to the report, there is a possible relationship between Mr Nongogo and Coinvest and eZaga Holdings,” he said.

## **Board decision**

As a result of the findings, Khosa said the Board has therefore decided to do the following:

1. Write to the CEO Mr Andile Nongogo and grant him an opportunity to advise on why his contract should not be terminated.
2. Subject all Staff members associated with wrong doing, as mentioned in the report to a disciplinary enquiry.
3. Advise all four direct payment service providers that their contracts will be terminated. The board will ensure that this termination does not affect the students negatively. In this regard, the Board is mindful of the universities they have made and expectations they had over next step will take into account both the law and the implications to service delivery.
4. Review the SCM Policy, in line with the National Treasury Regulations and Policies, including the PFMA.

“All these decisions of the board will be implemented progressively, from today, the 18 October 2023,” he said.

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