

**MEDIA RELEASE**      PSA outraged by NSFAS corruption: Demands immediate accountability

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The Public Servants Association (PSA) is alarmed and outraged regarding revelations by the Auditor-General, indicating that the National Student Financial Aid Scheme (NSFAS) continues to disburse bursary funds to 822 deceased students, reflecting a severe collapse in governance, financial controls, and basic administrative integrity within the Organisation.

According to multiple credible reports, 822 students listed as deceased in the Department of Home Affairs database were still receiving NSFAS bursaries. The PSA is further disturbed that the same audit uncovered continued funding of more than 14 000 students whose household incomes exceed eligibility thresholds, as well as thousands who failed academic progression requirements or already hold prior qualifications. Additionally, 321 students were found to be “double dipping,” receiving NSFAS bursaries and social relief of distress grants. These findings indicate a systemic governance failure in NSFAS, supported by evidence of unsafe and non-compliant student accommodation arrangements that severely compromise student welfare. Reports highlight students being housed in unsafe environments, substandard facilities, and in some instances, placed at risk owing to accommodation providers breaching contractual and safety requirements.

This scandal mirrors long-standing concerns regarding mismanagement and corruption in NSFAS, which has consistently failed to implement previous audit recommendations. The Auditor-General has issued NSFAS with a disclaimer of opinion, the most severe audit outcome possible, confirming a profound breakdown in transparency and accountability. This dire situation resulted in the Minister of Higher Education and Training ordering an urgent forensic investigation and activated collaboration with the Special Investigating Unit. Whilst the PSA acknowledges this intervention, it is emphasised that reactive investigations are not enough. Systemic reform is required to restore public trust.

The PSA therefore demands an immediate full forensic audit of all NSFAS beneficiaries and service providers, including retrospective recovery of misallocated funds. Implicated officials should be suspended pending disciplinary and possible criminal proceedings. There is an urgent need for an overhaul of NSFAS financial controls, verification systems, and data management, especially the integration of Home Affairs records. Parliamentary oversight hearings should be held on administrative and political leadership accountable for repeated governance failures. There must be protection for legitimate beneficiaries, ensuring that ongoing investigations do not disrupt funding for qualifying students.

The scale of irregularities at NSFAS reflects an institutional crisis and undermines national efforts to expand access to higher education for poor and working-class families. The PSA urges government to treat this matter with the seriousness it deserves. South Africans cannot continue to bear the costs of inefficiency, mismanagement, and corruption, particularly in institutions entrusted with supporting the youth and the future workforce.

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