

NEWSLETTER

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A New Era of Accountability: SIU Recovers R2 Billion as NSFAS Strengthens Financial Controls

The announcement that the Special Investigating Unit (SIU) has recovered a total of over R2 billion in misspent or unallocated funds from universities, TVET colleges, and unqualified students is a significant moment for the integrity of South Africa's student funding system. This massive clawback has brought much-needed focus to why NSFAS is implementing stringent new governance and financial management processes.

The Failures of the Past System

The billions recovered were primarily unallocated funds sitting in institutional accounts between 2016 and 2021. The core issue, according to the SIU, was a critical lack of robust control systems and inadequate reconciliation processes within the previous NSFAS model. This allowed institutions to hold public money for years beyond the permitted one-year period.

The situation was unsustainable, with the lack of oversight creating opportunities for abuse, including payments to students who did not qualify for aid and general maladministration. The SIU's work, authorised under Proclamation R88 of 2022, was a necessary intervention to address these widespread issues and recover financial losses suffered by the state due to negligence.

A Commitment to Stronger Governance

The NSFAS Platform was introduced specifically to solve this. By integrating student data, accommodation listings, and payment disbursements into one ecosystem, the platform acts as a continuous audit. It was the implementation of this system that highlighted the discrepancies, allowing the SIU to pinpoint exactly where the state's money was being held and ensuring its return to the fiscus.

- Remove the Guesswork: By using a data-driven reporting process, the platform generates monthly occupancy and payment reports, leaving no room for the "unallocated funds" of the past.

A Win for Transparency

The recovery of R2 billion isn't just a win for the SIU; it is a massive endorsement of the NSFAS Platform. The platform's ability to identify 1,055 unqualified beneficiaries who have now signed acknowledgements of debt proves that the system is working.

As Dr. Mugwena Maluleke and the NSFAS board finalise over 600,000 applications for 2026, they are doing so on a foundation of transparency. The platform has turned the page on the era of "negligence and inadequate control," replacing it with a modern, secure, and highly visible financial framework.

Supporting the NSFAS Platform means supporting the recovery of every cent meant for South Africa's students.
