

Fraud probe after student “helps herself” to R818,000 of Financial Aid

In June 2017, a student at Walter Sisulu University (WSU) East London received an over allocation of her monthly food allowance. While all other students received their usual monthly allocation of R1,400; she received in error an allocation of R14.1 million.

The student, whose name is known to Intellimali, did not report the oversight but chose rather to access the funds. When the error was discovered in early August 2017, she had misappropriated R818,000.

During the period in question, Intellimali was managing the monthly food allowance of R1,400 for thousands of students at WSU. Only 1 student received the incorrect funding.

Regardless of the outcome of the investigation referred to later, Intellimali takes full administrative and financial responsibility for the incident. Neither the funder, National Student Financial Aid Scheme (NSFAS) nor the university (WSU) have erred in any way and they are not responsible for this. In addition, no student's financial aid support will be affected in any way.

We have already put in place the necessary controls to prevent an incident of this nature ever happening again.

IntelliMali loads tens of millions of rands in allowances for students receiving financial aid from donors every day. These allowances are loaded in categories for books and food. Over the past 10 years, IntelliMali has loaded and managed in excess of R5 billion in allowances. Nothing like this has ever occurred before at Intellimali.

In June 2017 IntelliMali received a batch of food allowances from WSU. This batch contained a list of 3500 students, each with an allocation of R1,400. These uploads are checked and verified by IntelliMali staff before they are processed on the IntelliMali system and all the data was correct at the time the uploads took place. Only one of thousands of students received this allowance in error.

As is our standard practice, Intellimali deactivated that students allowance and notified the university that we would investigate the matter. In this case, the investigation proved to be complex, highly technical and time consuming. It required the attention of both internal professionals and external experts. Intellimali has appointed a forensic auditor to investigate this "incident" which can only be described as 'unprecedented' in our 10-year history.

The investigation is ongoing and legal action will be taken against the student.

Intellimali is currently in talks with NSFAS and WSU to determine the most appropriate action to be taken.

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