BOTSWANA
Qualifications Authority

Building a seamless Education and Training System

ANNUAL **REPORT**

2016 / 2017

VISION

To make Botswana the nucleus of globally competitive knowledge and skills.

VALUES

Quality
Performance
Integrity
Innovation
Customer Focus

MISSION

BQA ensures that all learners acquire quality assured awards through the implementation of a national quality assured system.

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"A detailed Transition Plan was developed that informed key phases of the change."

- Mr Charles Siwawa

1.0 PROFILE

The Botswana Qualifications Authority (BQA) is a parastatal under the Ministry of Tertiary Education Research Science and Technology established by the Botswana Qualifications Authority Act, No 24 of 2013, to:

a) Provide for and maintain the National Credit and Qualifications Framework (NCQF).

b) Coordinate the education, training and skills development quality assurance system from early childhood to tertiary level (lifelong learning).

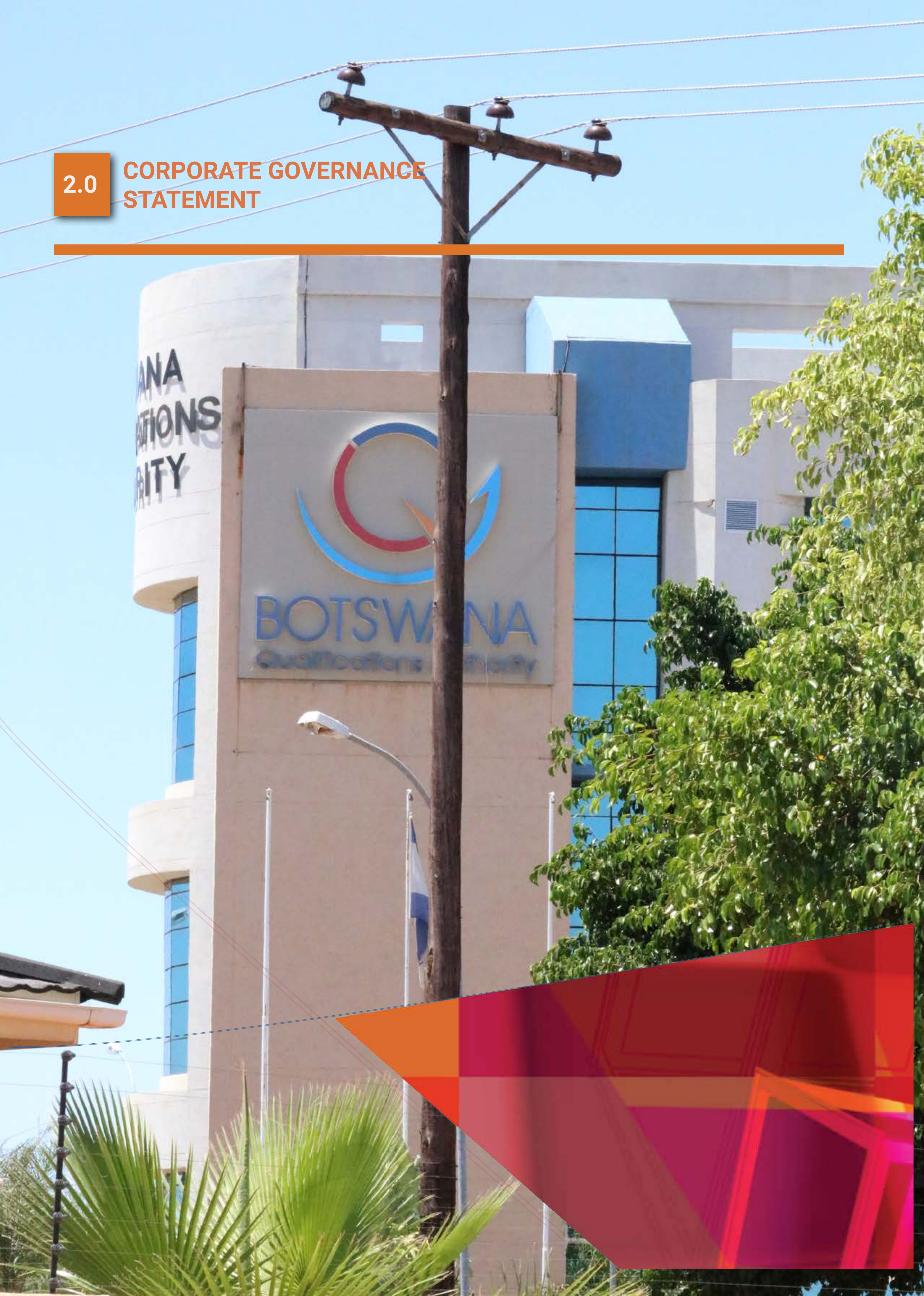
The governance structure of BQA provides for a 13-member Board of Directors chaired by an independent person. There are six committees that deal with specific functions established to facilitate the work of the Board. These are the Qualifications Framework Maintenance Committee, Finance Committee, Risk and Audit Committee, Human Resource Committee, Board Tender Committee, and Quality Assurance Committee. To ensure efficiency in the execution of its mandate, the BQA structure has seven departments. These are: the Directorate of the Chief Executive Office, Department of the Deputy Chief Executive Officer, Department of Finance and Administration, Department of Business Development, Department of Quality Assurance, Department of the National Credit and Qualifications Framework Services, and the Department of Human Resource.

The funds of the Authority shall consist of:

a) such monies as may be appropriated by the National Assembly for the purpose of the Authority;
b) such grants and donations as the Authority may receive;
c) such fees as may be charged for services rendered by the Authority; and
d) any income that the Authority may receive from investments.

The Authority's financial year begins on 1st April of each year and ends on 31st March of the following year.

2.0 CORPORATE GOVERNANCE STATEMENT



2.0 CORPORATE GOVERNANCE STATEMENT

2.1 Board Structure and its Composition

Section 5 of the BQA Act No.24 of 2013 establishes the Board of Directors which is mandated with governing the Authority. It exercises its powers in accordance with the Act, the Board Charter and other corporate governance best practices. The Minister shall appoint a maximum of 13 members whom the Minister considers qualified by reason of their experience or expertise in areas relevant to the objects and functions of the Authority. Members may hold office for a term not exceeding three years and shall be eligible for re-appointment for a further term of three years. Upon appointment to the Board, training in corporate governance is scheduled to enhance members' knowledge and leadership skills.

2.2 Board and Board Committee Charters

To assist the Board and its Committees to function well and embrace best practice, the Board adopted the Board and Committee Charters as directed by the King Report to guide them in the discharge of their fiduciary duties.

2.3 Board Meetings

The role of the Board is to set strategic direction, develop key policies, approve budgets as well as implement and monitor approved strategic direction through periodic reporting by Executive Management.

In a financial year, the Board meets four times but can meet as often as the business of the Authority may require. In 2016/17 the Board held four quarterly meetings and several Special Board meetings due to transitional arrangements. Board Committees also held four quarterly meetings and several special meetings

2.4 Declaration of Interest

Board members are entrusted with important responsibilities and are expected to maintain a high standard of integrity and public confidence in the Board's activities. Section 16 of the BQA Act requires members to disclose in writing at every meeting any interest that could give rise to potential conflict of interests in making and/or contributing to the decisions of the Board. Where there are no interests, members are advised to always declare in writing. A member who has declared an interest shall not, unless the Board otherwise directs, take part in any consideration or discussion or vote on the matter.

All the disclosures are recorded in the minutes of the meeting and shall form part of the Board records. A member who fails to disclose a conflict shall be liable to a fine not exceeding P2, 000.00 or imprisonment for a term not exceeding six months or both.

2.5 Board Remuneration

The Board is remunerated at rates prescribed by the Government of Botswana from time to time.

2.6 Delegation

The Board has delegated the day to day management of the affairs of the Authority to the Chief Executive Officer who consequently is accountable and reports on the performance of the Authority to the Board. The Executive Management team supports and assists the Chief Executive Officer in the proper administration and management of the functions and affairs of the Authority, which shall be in accordance with the policies laid down by the Board.

2.7 Board Committees

The Board has delegated its duties and responsibilities to committees to ensure proper running of the Authority.

The Chairperson and Vice-Chairperson of each Committee are appointed from amongst members of

2.0 CORPORATE GOVERNANCE STATEMENT *Continued..*

the Board. The Chairperson of the Board is not a member of any Board Committee. The Committees report and make recommendations to the Board.

Board Committees are comprised as follows:

2.7.1 Finance Committee

The Finance Committee provides the Board with objective advice and assurance regarding financial management of the Authority. It also monitors internal financial controls, compliance with the relevant legislative requirements, and ensures integrity of integrated reporting including management accounts and annual financial statements that disclosures made by management portray the Authority's financial condition, results of operation and long term commitments. The Committee meets at least four times in each financial year.

The Committee's duties and responsibilities are to:

- consider and recommend to the Board the Authority's accounting policies in accordance with Generally Accepted Accounting Principles (GAAPs) such as International Accounting Standards issued by the International Accounting Standards Committee (IASC);
- consider and recommend the draft budget estimates, final budget and revised budget to the Board for approval at appropriate times.
- review and make recommendations to the Board regarding policy issues relating to operating budgets and capital expenditures.
- consider and recommend budgets and actual quarterly management reports to the Board for approval.
- review the systems established by the Authority to ensure compliance with policies, budgets, strategic plan and/or plan of operation, procedures, as well as laws and regulations which may have significant impact on operations and reports.
- consider and review the selection of banks and bank accounts to be used by the Authority and recommend to the Board for approval.
- review and make recommendations to the Board regarding the approval of authorised signing officers in respect of all banking services.
- review and recommend investment management, if any, to the Board for approval.
- review compliance with applicable tax requirements.
- consider and recommend the Authority's employee loan schemes to the Board for approval, whether they are guaranteed or non-guaranteed.
- review and make recommendations to the Board in respect of all proposed transactions regarding the leasing or disposal of real estate property.

2.7.2 Risk and Audit Committee

The Committee has an independent oversight role with accountability to the Board. The Committee is constituted in terms of the principles of sound Corporate Governance practices as contained in King III and as provided for by the BQA Act. The Committee assists the Board in discharging its duties by:

a. Financial Reporting

- Recommending to the Board the appointment of external auditors;
- Assessing the fairness of external audit fees and making appropriate recommendations;

2.0 CORPORATE GOVERNANCE STATEMENT *Continued..*

- Assessing the performance of external auditors and making recommendations to the Board as appropriate;
- Reviewing the annual external audit scope and plan, as well as approving the Auditors' engagement letter;
- Reviewing and advising the Board with respect to conduct and reporting of the annual audit;
- Reviewing any significant unresolved accounting or auditing problems encountered during external audit;
- Reviewing and receiving assurance on the independence of the external auditors;
- Ensuring there is cooperation and coordination between external and internal audit;
- Considering and recommending draft annual financial statements and auditors' report and Management letter to the Board for approval

b. Governance

- Reviewing the systems established by the Authority to ensure compliance with policies, budgets, strategic plan and/or plan of operation, procedures, as well as laws and regulations which may have significant impact on operations and reports;
- Monitoring and ensuring that internal audit function is adequately resourced and has appropriate standing within the Authority;
- Reviewing policies relating to compliance with the law, regulations, ethics, and conflict of interest rules, as well as investigation of misconduct and fraud;
- Reviewing current/pending litigations or regulatory proceedings bearing on the Authority's governance;
- Reviewing significant cases of employee conflict of interest, misconduct and fraud.

c. Risk Management and Internal Control

- Reviewing the Authority's risk management controls and policies;
- Annually reviewing the key risks inherent and emerging in the Authority's business as well as the system of internal control necessary to monitor such risks;
- Obtaining reasonable assurance that systems of internal controls are properly designed and effectively implemented;
- Reviewing Management's steps to implement and maintain appropriate internal control procedures including a review of significant financial controls;
- Reviewing adequacy of security of information, information systems and recovery plans.
- Considering and recommending the Authority's employee loan schemes to the Board for approval, whether they are guaranteed or non-guaranteed.

d. Internal Audit

- Exercising oversight role with respect to internal audit activities;
- Recommending to the Board for approval, the appointment and/or removal of Internal Audit Manager;
- Reviewing Internal Audit Charter and proposing amendments thereto for submission to the Board for approval;

2.0 CORPORATE GOVERNANCE STATEMENT *Continued..*

- Reviewing internal audit plans, budgets and schedules;
- Reviewing internal audit reports and any significant matters raised therein;
- Reviewing Management responses and corrective action plans from internal audit findings;
- Assigning Internal Audit to undertake specific audit projects as the need may arise;
- Reviewing policies and procedures with respect to employees' expense accounts including the use of corporate assets.

2.7.3 Human Resource Committee

The function of the Human Resource Committee is to consider and recommend to the Board the human resource strategy and supporting policies, manpower plans, remuneration policy and appointment to executive management positions. The Committee meets at least four times in each financial year.

2.7.4 Board Tender Committee

The responsibility of the Tender Committee is to ensure that all tenders are awarded in a transparent and procedural manner, in order to enhance an effective control environment in the procurement processes of the Authority. The Committee has delegated financial authority that is reviewed from time to time. The Committee meets at least four times in each financial year.

2.7.5 Quality Assurance Committee

The responsibility of the Quality Assurance Committee is to provide the Board with objective advice and assurance regarding registration and accreditation of Education and Training Providers, learning programmes, assessors and moderators. The Committee assists the Board in discharging its duties by:

- considering and making recommendations to the Board on applications for registration and accreditation of Education and Training Providers presented by the Management Quality Assurance Committee;
- considering and making recommendations for renewal/ suspension/ revocation/re-assessment of registration and accreditation of Education and Training Providers and learning programmes;
- considering and making recommendations to the Board on applications for accreditation of learning programmes presented by the Management Quality Assurance Committee;
- considering audit reports presented by the Management Quality Assurance Committee;
- keeping under review quality assurance procedures and systems, ensuring that they meet the quality assurance service requirements and reflect best practice;
- contributing to the review of the quality assurance instruments and processes within the BQA;

The Committee meets at least four times in each financial year.

2.7.6 Qualifications Framework Maintenance Committee

The responsibility of the Qualifications Framework Maintenance Committee is to provide the Board with objective advice and assurance in overseeing the development and maintenance of the National Credit and Qualifications Framework (NCQF). The committee assists the Board in discharging its duties by:

- overseeing the development and maintenance of the NCQF;

2.0 CORPORATE GOVERNANCE STATEMENT *Continued..*

- overseeing the implementation of the NCQF policies across the three sub-systems (General Education (GE), Technical and Vocational Education and Training (TVET) and Higher Education (HE));
- considering and recommending to the Board approval of NCQF policies for the development, and registration of qualifications, Articulation, Recognition of Prior Learning, Credit Accumulation and Transfer System (CATS), Evaluation and Recognition of local and external qualifications and any other related policies;
- overseeing the implementation of the NCQF policies for the development, and registration of qualifications, Articulation, Recognition of Prior Learning, Credit Accumulation and Transfer System (CATS), Evaluation and Recognition of local and external qualifications and any other related policies across the three subsystems;
- considering and recommending for approval all instruments, guidelines and procedures for NCQF policy implementation; advocating for the NCQF and advising the Board on matters concerning the Framework.

The Committee meets at least four times in each financial year.

2.8 Board Secretary

The Board Secretary facilitates efficiency of the Board by ensuring that it executes its fiduciary duties effectively.

The key roles of the Board Secretary are to:

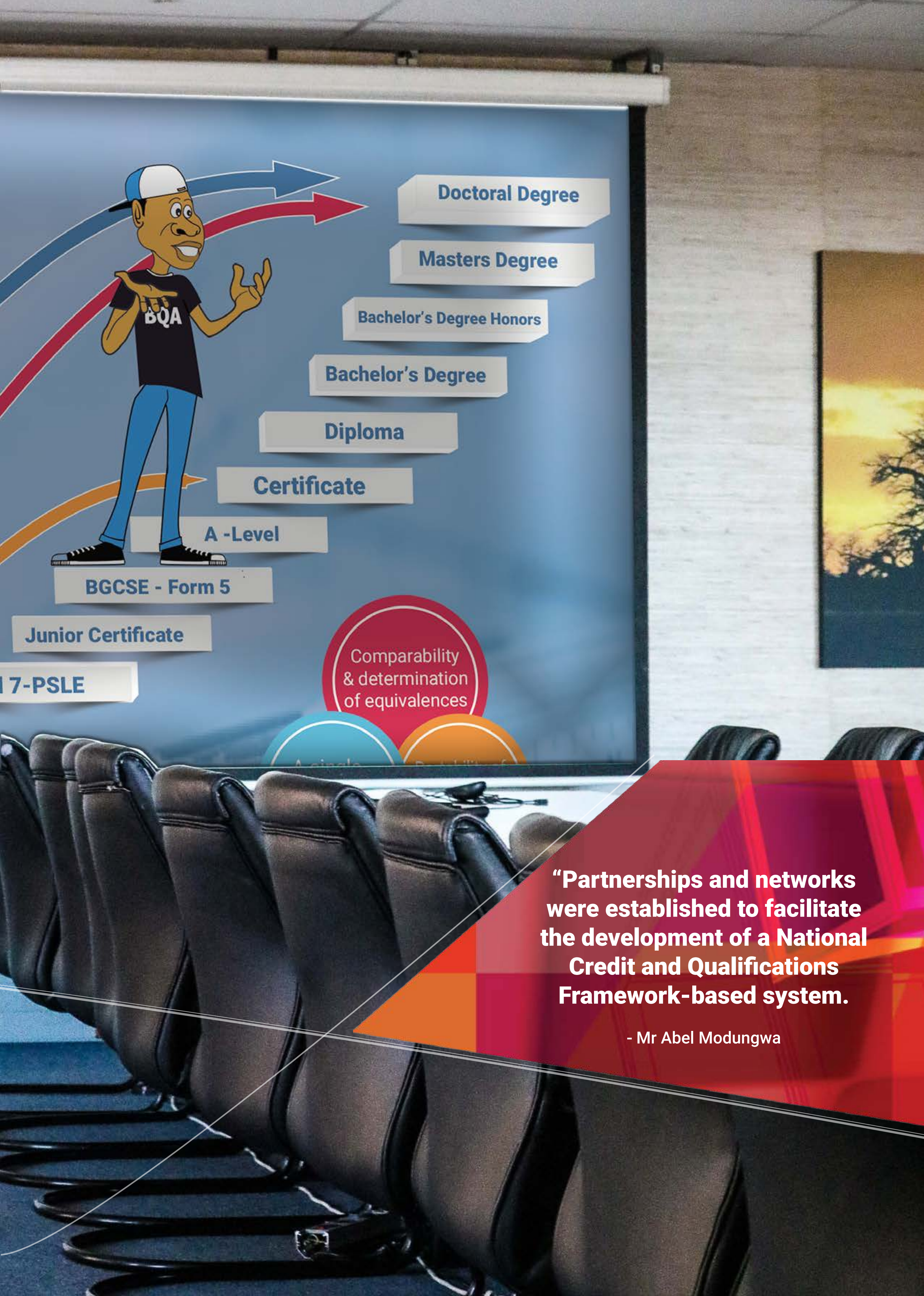
- ensure compliance with statutory and regulatory requirements;
- advise the Board and Executive Management on their roles and responsibilities;
- maintain the Authority's key corporate documents and records;
- organise, attend and record all Board meetings; and
- provide legal advice to Executive Management, Board and Board Committees

2.9 Compliance

In terms of Section 25(1) of the BQA Act, the Authority shall within six months after the financial year, or within such longer period as the Minister may approve, submit the annual report.

2.10 Code of Conduct and Ethics

The Code of Ethics was considered and adopted by the Board. The code is intended to ensure the Board's commitment to the highest level of integrity in corporate decisions, and the way the Authority conducts its entire business. The Board and employees of the Authority are required to always conduct themselves according to the highest ethical standards.



"Partnerships and networks were established to facilitate the development of a National Credit and Qualifications Framework-based system.

\- Mr Abel Modungwa

3.0 BOARD OF DIRECTORS

Mr Charles Siwawa
Board Chairperson

Ms Joyce Maphorisa
Vice Chairperson

Mr Barulaganyi J. Mogotsi
Member

Mr John D. Slater
Member

Mr Joseph Matome
Member

Mr Busie Moepi
Member

Mr Charles Coyne
Member

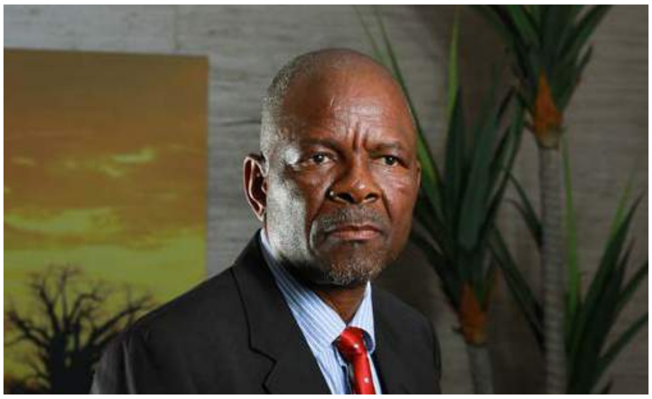
Mr Mogapi Madisa
Member

Mr Borniface Mphetlhe
Member

Ms Dorcus M. Phirie
Member

4.0 BOARD COMMITTEES

4.1 QUALIFICATIONS FRAMEWORK MAINTENANCE COMMITTEE



Chairperson: Mr Mogapi Madisa

Members:

- Ms Dorcas Phirie
- Mr Busie J. Moepi
- Ms Ruth Monau
- Dr Oluka Silas
- Mr Cassius Mmopelwa
- Dr Lekoko Serumola
- Ms Masego B. Marobela

4.2 QUALITY ASSURANCE COMMITTEE

Chairperson: Ms Joyce K Maphorisa

Members:

- Mr Busie J. Moepi
- Ms Dorcas Phirie
- Mr Modisaotsile Hulela
- Mr Modiri Mogopa
- Dr Olefile B. Molwane
- Mr Clement Matswagothata
- Mr Tebogo Motswetla
- Dr Tichatonga J. Nhundu

4.3 RISK & AUDIT COMMITTEE

Chairperson: Mr Charles Coyne

Members:

- Ms Dorcas Phirie
- Ms Mmatlala Dube
- Mr Tlhobelo Moshodi
- Mr Kelvin Mooya
- Mr Julian Letlole
- Ms Segametsi Mafa

4.0 BOARD COMMITTEES *Continued..*

4.4 HUMAN RESOURCE COMMITTEE

Chairperson: Mr Barulaganye J. Mogotsi

Members:

- Busie J. Moepi
- Ms Lekono Phiri
- Ms Poppy Sechele
- Ms Mary Mabotho
- Mr Jowitt Mbongwe
- Mr Courtney Sethebe

4.5 TENDER COMMITTEE

Chairperson: Mr Boniface Mphetlhe

Members:

- Mr John D. Slater
- Mr Mmetla Masire
- Ms Polokelo Mollentze

4.6 FINANCE COMMITTEE

Chairperson: Mr Joseph Matome

Members:

- Mr Charles Coyne
- Mr Boniface Mphetlhe
- Mr Sanga Namoshe
- Ms Blessed Davids
- Mr Emang Chibua
- Ms Ontlametse Sebonego

5.0 EXECUTIVE MANAGEMENT

Mr Abel Modungwa
Chief Executive Officer

Mr Ezekiel Thekiso
Deputy Chief Executive Officer

Ms Selebo A. Jobe
Director: Quality Assurance

Dr Phetolo Malau - Modiega
Director: NCQF

Dr Andrew Molwane
Director: Development Services

Ms Magdaline T. Motswagole
Director: Finance

Mr Josius Maluzo
Director: Human Resource

Mr Kennedy Pheko
Board Secretary

Mr Samuel Segotso
Internal Audit Manager

Ms Botho Bayendi
Strategy Manager

6.0 BOARD CHAIRPERSON'S STATEMENT

Mr Charles **Siwawa**

The BQA Act No. 24 of 2013 established the Botswana Qualifications Authority as a regulatory body to provide for the design, development, implementation and maintenance of an overarching National Credit and Qualifications Framework (NCQF).

It also includes the coordination of a common quality assurance platform for the Education, Training and Skills Development System for all qualifications. The main objective is to develop, implement and coordinate a seamless quality education and training system. The key goal of these reforms in education, training and skills development is to produce a human resource that is robust and competent to meet the needs of both local and international markets.

During the 2015/2016 financial year, BQA developed a five-year corporate strategy with the aim to commence implementation in 2016/17. Key thematic areas of the strategy include:

- Growth and expansion of services in line with the National Human Resource Development Strategy (NHRDS) to cover quality assurance of; General Education, Technical and Vocational Education and Training, as well as Higher Education.

- Customer and Stakeholder Management.

Implementation of some of the strategic activities was affected by the delayed gazetting of BQA Regulations. The last set of BQA Regulations was gazetted in November 2016. The delay notwithstanding, I am however happy with the overall organisational performance.

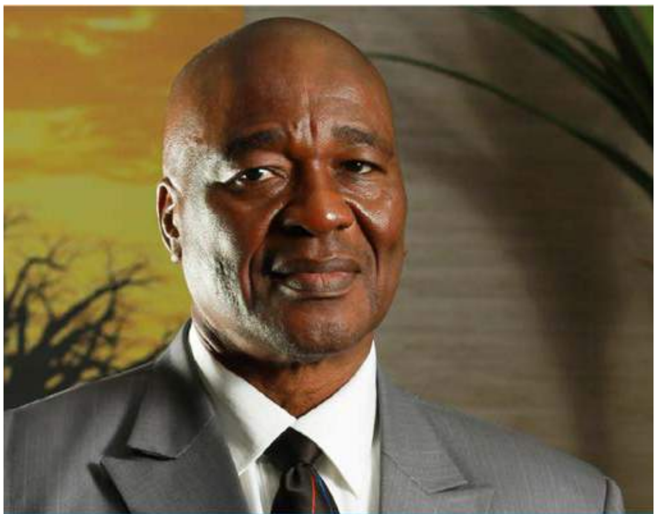
BQA started implementing the new Regulations in January 2017. This was done against the backdrop of applications that were submitted under the old legislative requirements. A detailed Transition Plan was developed that informed key phases of the change.

Despite prior consultation with key stakeholders, I note that some, especially Education and Training Providers, have expressed dissatisfaction with the gazzetted Schedule of Fees. BQA will engage in further consultations on these in the next financial year.

I would like to express my special appreciation to the Ministry of Tertiary Education, Research, Science and Technology, the BQA Board, stakeholders, management and staff for the support during the transition period. I am happy that all stakeholders and staff accepted the transitional arrangements. The need for continued stakeholder engagement cannot be over emphasised.

Charles Siwawa

7.0 CHIEF EXECUTIVE OFFICER'S STATEMENT



Mr Abel **Modungwa**

Botswana Qualifications Authority developed and implemented a Transition Plan referencing strategic objectives as set out in its Roadmap to 2021 Corporate Strategy. The plan took cognisance of the workload from the legacy of Vocational Training and Tertiary Education systems. This has greatly improved the level of compliance by BQA registered providers and, by extension, the quality of learning programmes on offer.

A key component of the Transition Plan is Stakeholder Engagement. Several activities were done to discuss and finalise policies, tools, guidelines, norms and standards in preparation for implementation of the BQA Regulations. Partnerships and networks were established to facilitate the development of a National Credit and Qualifications Framework-based system.

BQA is a member of the SADC Qualifications Framework Committee that will ensure alignment of local qualifications to regional and international awards. It will also assist the Authority in verification of external qualifications. In the next financial year, BQA will establish a National Alignment Committee to ensure inclusion of local stakeholders in this project.

BQA was committed to ensuring business continuity during the transition period though services were suspended in the third quarter. This was to enable the Authority to process and complete applications submitted under the old system, build staff and stakeholder capacity, as well as establish systems and infrastructure for implementation of the BQA mandate. I am happy to report that this proved very helpful hence the seamless take-off in the fourth quarter.

The establishment of a One Stop Customer Service Centre has improved how we handle customer requests, enquiries and complaints.

During the reporting period, there were some challenges amongst which were resource constraints, student unrests and isolated cases of non-compliance. However, I am happy to report that mitigating strategies that were put in place proved effective.

There were several learner complaints raised and these were satisfactorily resolved. BQA intensified monitoring and auditing of regulated entities to ensure protection of enrolled learners. The Authority has since developed Learner Protection Guidelines that will safeguard learner rights. The average customer satisfaction level was 93%, as compared to 89% in 2015/16.

I am happy to report that most of the planned initiatives were achieved despite emerging challenges due to the transition. Overall, the Authority experienced growth and was able to accomplish most targets. The Authority has successfully taken over the Technical and Vocational Education and Training as well as Higher Education sub-systems, and is yet to take over the General Education sub-system

BQA will continue to consult and engage stakeholders throughout the transition period and beyond to ensure successful creation of a 'fit for purpose' National Credit and Qualifications Framework-based quality assurance system.

Finally, I wish to thank the Chairperson and members of the Board for their strategic leadership in this period of transition; stakeholders for their support; BQA management and staff for their commitment and hard work.

Abel Modungwa

8.0 ACHIEVEMENTS

"The organisation developed more than 95% of instruments to create an enabling environment for transition into an integrated national quality assurance system."

8.0 ACHIEVEMENTS

This section highlights achievements against set targets in the year under review.

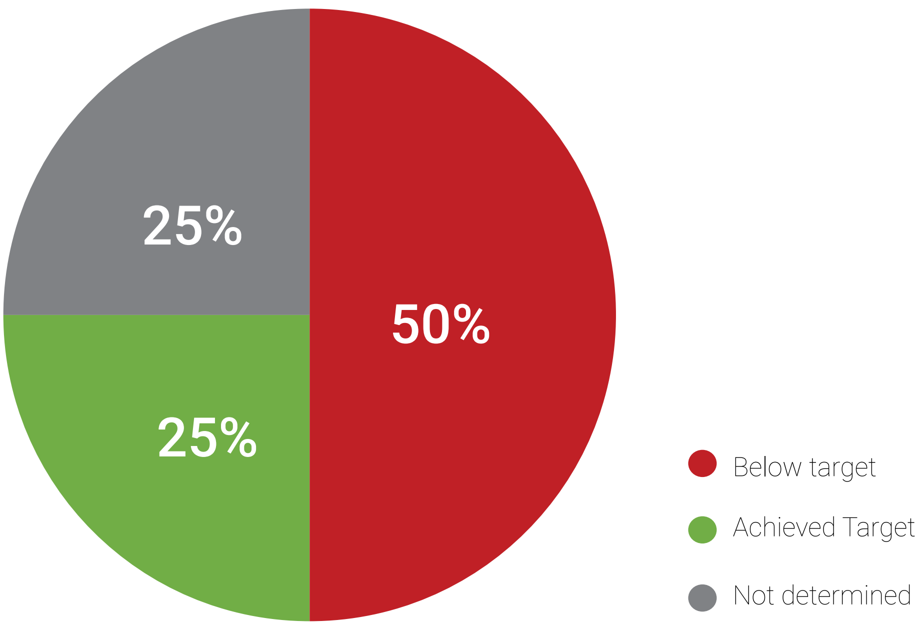
8.1 ANNUAL STRATEGIC PLAN PERFORMANCE

Performance of the Authority during the first year of implementing the 2016-2021 Strategic Plan reflects substantial work on key initiatives to make the Botswana Education and Training System a nucleus of global competitive knowledge and skills.

The 2016/17 Annual Plan's objectives and measures were generated in line with the strategic thematic thrust of growth; that is, expansion of services in line with the National Human Resource Development Strategy goals, customer and stakeholder management, as well as building a high performance corporate culture.

Figure 1 is a summary of the 2016/17 Annual Strategic Plan performance.

Figure 1: Annual Strategic Plan performance

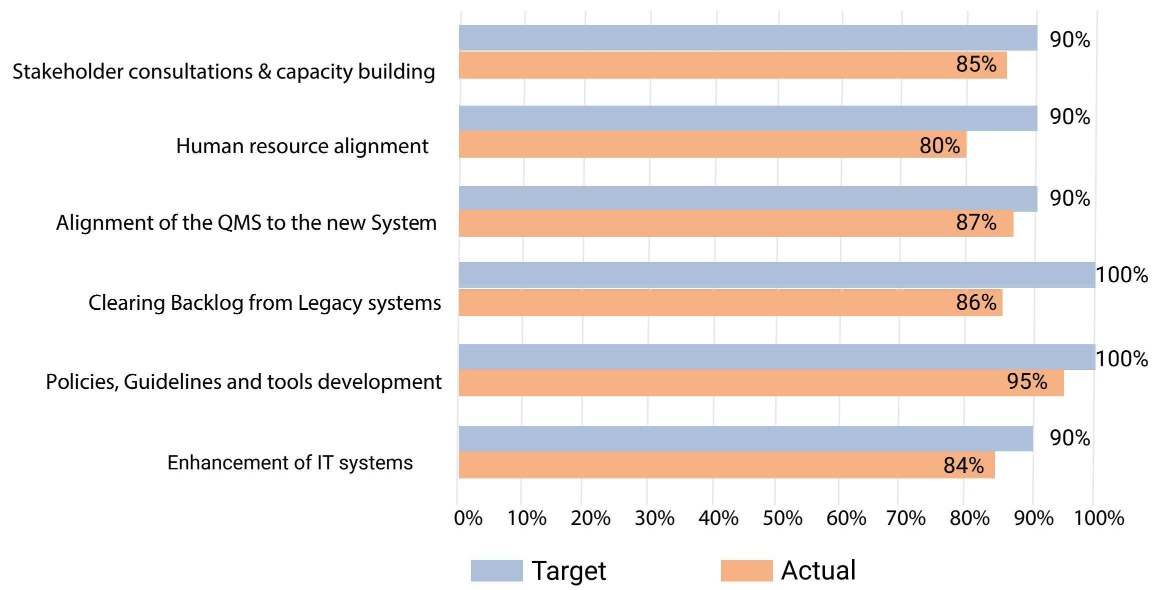


The strategic performance was significantly affected by the delay in gazetting of BQA Regulations. While the key assumption during planning was that all Regulations would be gazetted by 30th April 2016, the last set of Regulations was gazetted in November 2016. To minimise the effects of the delay on the transition such as accumulation of backlog on the old system, the Authority suspended all services to the customers such that no new applications were received. The suspension directly affected 25% of the objectives, stated above as not determined. The Authority managed to achieve target on four objectives, and performed below target on eight objectives which were also affected by the delayed publication of Regulations and suspension of services.

In an attempt to remain optimal during the suspension of services, while awaiting gazetting of Regulations, the Authority focused on six strategic projects. The main objectives of the projects were to improve readiness such that no more time would be lost, processing of applications on the new system could start as soon as all regulations were gazetted and services restored. The services were restored on 4th January 2017.

8.0 ACHIEVEMENTS *continued..*

Graph 1: Perfomance on key Strategic Projects



The Authority is pleased to report excellent performance on projects which were set up to process all applications that were submitted under the old system and create readiness for implementation of the new system. The organisation developed more than 95% of instruments to create an enabling environment for transition into an integrated national quality assurance system. Stakeholder consultations and capacity building had been ongoing to sensitise stakeholders on the new system.

8.2 FRAMEWORK DEVELOPMENT AND MAINTENANCE

Botswana Qualifications Authority is responsible for ensuring the development and maintenance of the National Credit and Qualifications Framework. The process involves defining qualifications, setting minimum standards, as well as validation and registration of quality assured qualifications and part qualifications. The Authority has to ensure that qualifications are relevant to Botswana's social and economic needs. The process for registration of qualifications has four major sub-processes, namely: administrative check, verification (audit), validation, and placement on the framework.

Registration of qualifications is provided for by the Botswana Qualifications Authority (National Credit and Qualifications Framework), Regulations, which were gazetted in November 2016. The Authority has developed policies, criteria, guidelines, procedures and tools to facilitate NCQF development, implementation and maintenance.

The NCQF tool has integrated the three sub-systems of education and training; General Education (GE), Technical and Vocational Education and Training (TVET), and Higher Education (HE). The NCQF levels range from one to ten, in line with the SADC Qualifications Framework. The level descriptors and minimum credit value for each level have been clearly stipulated to enable the nesting of quality assured qualifications that are either modular or unit standard based.

The Authority shall periodically review the NCQF level descriptors and associated components to ensure that they remain current. The validity of NCQF registered qualifications will be for a five year period. Any interested person will apply for renewal of registration of the qualification at least six months before expiry of the registration.

8.0 ACHIEVEMENTS *continued..*

8.3 RECOGNITION OF PRIOR LEARNING AND CREDIT ACCUMULATION AND TRANSFER

Recognition of Prior Learning (RPL) is a process by which previous learning and experience of a candidate, irrespective of how it was obtained, is compared with the learning outcome or unit standards required for a specified qualification. This is critical in an outcomes-based education and training system where a learner accumulates credits through formal, informal and non-formal learning.

The Authority started the development of Recognition of Prior Learning (RPL) and Credit Accumulation and Transfer (CAT) policies, criteria and guidelines as per provisions of the BQA Act. Though RPL is not new, there was need for alignment with the new regulatory framework. Stakeholder consultations were conducted in Gaborone, Francistown, Jwaneng and Maun for further input subsequent to the gazetting of the NCQF Regulations.

The following have been achieved:

- Developed instruments for accreditation of Education and Training Providers (ETP)
- Planned and designed training course for RPL stakeholders
- BQA staff and Education and Training Providers (ETP) trained on RPL
- Piloted RPL with some ETPs

The pilot exercise, which resumed this year and will continue into the next reporting period, was conducted in the following sectors;

1. Agriculture
2. Bricklaying
3. Early Childhood Development
4. Education
5. Hairdressing
6. Mining
7. Textiles
8. Tourism
9. Welding
10. Wholesale and Retail

There is considerable interest in this service area and the Authority will take due care to ensure that the system is robust and that RPL assessors fully comprehend outcomes or standards based assessment. The Authority will carry out intensive advocacy and marketing to educate the public on this service area.

Implementation of CAT is not expected to pose any significant problem as most ETPs have been applying it.

8.0 ACHIEVEMENTS *continued..*

8.4 CAPACITY BUILDING

Implementation of the NCQF system requires the Authority to carry out sensitisation and advocacy activities to promote stakeholder buy-in and uptake of the system. The Authority adopted a model in which the target audience was limited to curriculum development, assessment bodies, Regional Education Authorities, management representatives, heads of departments, training coordinators, and programme leaders from both public and private ETPs. Once these were trained, they built capacity of their staff members to ensure a wider reach.

BQA has built capacity of all Colleges of Education, Institutes of Health Sciences, Regional Education Officers, Department of Technical and Vocational Education and Training (DTVET) Programme Development Teams, Institute of Development Management (IDM), Botswana Railways, Botswana Meat Commission (BMC), Botswana Public Service College (BPSC), Department of Government Printing and Publishing, Botswana International University of Science and Technology (BIUST), Botswana College of Distance and Open Learning (BOCODOL), Construction Industry Trust Fund (CITF), Botho University, Mascom Wireless, Book Binders, Department of Curriculum Development and Evaluation, Curriculum Panels, and Baobab Primary School.

In addition, the Authority has supported a total of 83 walk-in clients on outcomes-based programme development on 148 learning programmes which were to be submitted for accreditation.

A detailed work plan has been developed for 2017/18 that will start with capacity building of the remaining ETPs within the Higher Education sub-system. General Education, and Technical and Vocational Education and Training sub-systems will be training during the last two quarters of the financial year.

8.0 ACHIEVEMENTS *continued..*

8.5 EVALUATION OF QUALIFICATIONS

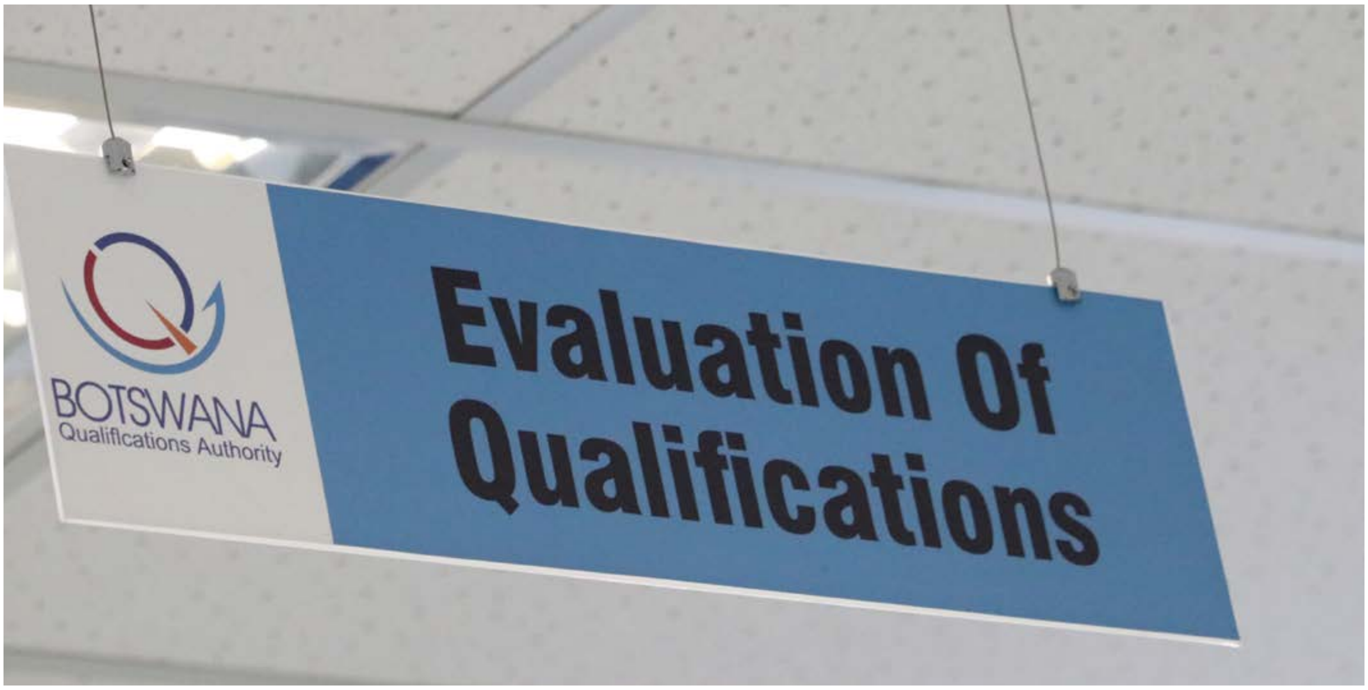
Evaluation of Qualifications is a process of analysing external qualifications in terms of their country of origin context as well as differences and/or similaritities in relation to local qualifications and contexts. The process leads to recognition, which is the formal acceptance of the appropriateness of a qualification for a specific purpose. Qualifications are evaluated for further studies, employment and immigration, among others.

A total of 1073 qualifications were evaluated this year compared to 1760 last year. Out of the 1073 qualifications, 908 were processed under the old system pending gazetting of the NCQF Regulations. All qualifications were evaluated against criteria based on qualification levels, type and stipulated level descriptors. Table 1 indicates the number of local and external qualifications evaluated per quarter.

Table 1: Number of Local and External Qualifications Evaluated per Quarter

	LOCAL	EXTERNAL
Quarter 1	287	214
Quarter 2	168	123
Quarter 3	60	53
Quarter 4	61	107
TOTAL	**576**	**497**

The figures indicate that the Authority received more applications for verification of local qualifications than applications for evaluation of external ones.



8.0 ACHIEVEMENTS *continued..*

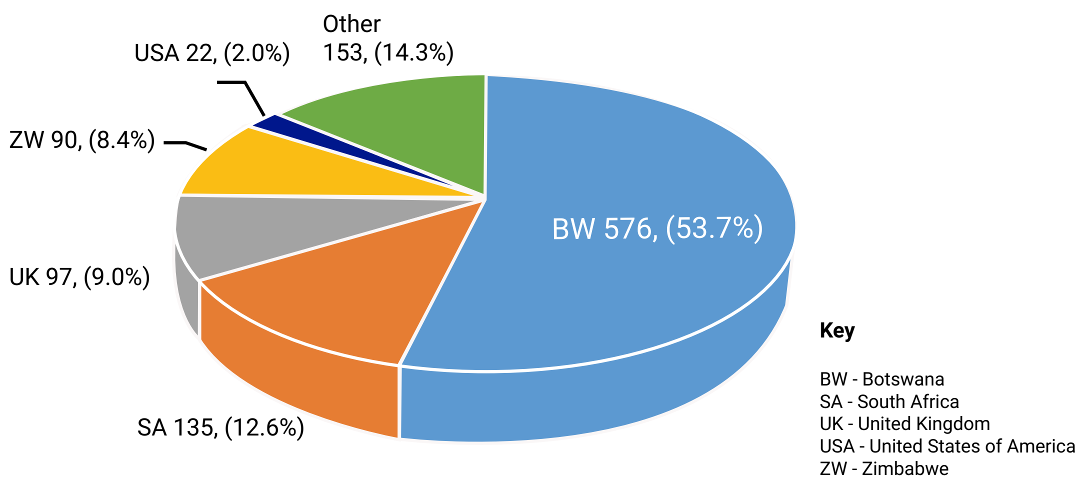
Table 2. Evaluated Qualifications by Country of Origin

Country	Quater 1	Quater 2	Quater 3	Quater 4	TOTAL	%
Australia	4	4	1	1	10	0.93
Bangladesh	1	0	0	0	1	0.09
Belgium	1	0	0	0	1	0.09
Botswana	287	168	60	61	576	53.68
Brazil	1	0	0	0	1	0.09
Canada	2	0	0	0	2	0.19
China	11	2	0	3	16	1.49
Egypt	0	1	0	0	1	0.09
France	1	0	0	0	1	0.09
Germany	0	0	0	1	1	0.09
Ghana	0	0	0	2	2	0.19
India	21	17	6	12	56	5.22
Indonesia	1	0	0	0	1	0.09
Iran	1	0	0	2	3	0.28
Ireland	2	0	1	0	3	0.28
Jamaica	2	0	0	0	2	0.19
Kenya	7	2	1	1	11	1.03
Lesotho	1	0	0	0	1	0.09
Malawi	4	0	0	0	4	0.37
Malasyia	1	0	0	0	1	0.09
Mauritius	2	0	0	0	2	0.19
Morocco	1	1	2	0	4	0.37
Namibia	1	1	0	0	2	0.19
New Zealand	0	1	0	0	1	0.09
Nigeria	1	0	1	2	4	0.37
Pakistan	1	0	0	0	1	0.09
Russia	1	0	0	0	1	0.09
South Aftrica	60	33	14	28	135	12.58
Spain	1	0	0	0	1	0.09
Sri Lanka	0	0	0	3	3	0.28
Swaziland	0	4	0	0	4	0.37
Tanzania	3	0	0	0	3	0.28
Thailand	0	0	0	1	1	0.09
Uganda	2	0	0	1	3	0.28
United Kindom	30	25	15	27	97	9.04
United States of America	14	4	2	2	22	2.05
Zambia	1	3	0	1	5	0.47
Zimbabwe	35	25	10	20	90	8.39
	501	**291**	**113**	**168**	**1073**	**100.00**

8.0 ACHIEVEMENTS *continued..*

There were a few qualifications evaluated in Quarter 3 as compared to other Quarters, because the Authority suspended acceptance of applications in August 2016 to prepare for implementation of new regulations. From the 4th January 2017, the Authority evaluated qualifications using the Botswana Qualifications Authority (National Credit and Qualifications Framework) Regulations, 2016.

Figure 2. Qualifications Evaluated Per Country of Origin



The rather high number (n= 97) of qualifications from United Kingdom is attributed to the fact that many local Education and Training Providers offer qualifications from UK awarding bodies. Those obtained from South Africa (n= 135) and Zimbabwe (n= 90) could be linked to mobility of learners and graduates because of the close proximity of the two countries to Botswana.

Table 3: Number of Qualifications per SADC Member State and other

Country	Angola	Botswana	DRC	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	Sychelles	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe	Other Africa	Other	Total
No of Qualifications	0	576	0	0	0	4	2	0	2	0	135	0	3	5	90	21	235	1073
%	0	53.7	0	0	0	0.4	0.1	0	0.2	0	12.6	0	0.2	0.5	8.4	2	22	100

In the year 2016/2017, The Authority evaluated more local qualifications (53.7%) followed by those originating from other African countries (24.4%). Mobility statistics indicate that more qualifications evaluated were from South Africa (12.6%) followed by Zimbabwe (8.4%). A total of 235 qualifications were received from outside Africa (21.9%).

8.0 ACHIEVEMENTS *continued..*

8.5.1 Verifications of local Qualifications for Other Qualifications Authorities

In Quarter 3, BQA conducted verifications of 222 qualifications awarded by local Education and Training Providers. These verifications were for graduates who had applied for evaluation of their qualifications at the Namibia Qualifications Authority.

8.6 QUALITY ASSURANCE

BQA undertakes accreditation of Education and Training Providers, awarding bodies, learning programmes, assessors, and moderators. This is done to build and maintain a common quality assurance platform within the three sub-systems of General Education (GE), Technical and Vocational Education and Training (TVET) and Higher Education. However, during the reporting period, the quality assurance activities were within the TVET and Higher Education sub-systems only as consultations with the Ministry of Basic Education had not been concluded to take over the General Education sub-system.

8.6.1 Technical and Vocational Education and Training

The Technical and Vocational Education and Training (TVET) sub-system covers education and training, as well as learning programmes which provide knowledge, skills and competencies relevant for employment or self-employment. In addition, it is through the TVET sub-system that Education and Training Providers develop and offer short courses which address skills gaps due to emerging industry needs.

8.6.1.1 Registration and Accreditation of Education and Training Providers and Learning Programmes

Registration and accreditation was carried out in accordance with the Vocational Training (Registration and Accreditation of Institutions) Regulations, 2010, because the BQA Regulations were not yet gazetted. Applications based on the old Regulations were received until 22 August 2016, when the Authority suspended the receipt of new applications to prepare for implementation of the new Regulations in January 2017.

There was significant growth in the TVET sub-system considering the number of learning programmes accredited. The Authority accredited a total of 71 new ETPs, compared to 197 in 2015/16. This increased the number of TVET ETPs to 788. The number of programmes accredited during this year was 635 compared to 881 in 2015/16, bringing the number of TVET accredited learning programmes to 6 366. It was observed that most of the accredited ETPs continued to accredit additional programmes, increasing their scope of training. Table 4 shows cumulative figures for registration of TVET ETPs and accreditation of learning programmes.

Table 4: Summary of registration and accreditation of TVET ETPs and accreditation of learning programmes

Type of Service	2015/ 2016	2016/ 2017	Cumulative Total
Registration and Accredi-tation of ETP's	717	71	788
Accreditation of Learning Programmes	5731	635	6366

8.0 ACHIEVEMENTS *continued..*

The 788 ETPs in Table 4 include the different types of TVET Providers; conventional, workplaces, Non-Governmental Organisations and Consultancies, which are in majority. The list includes both public and private providers.

8.6.2 Higher Education

This sub-system covers learning programmes from Diploma to Doctoral level, which is level 6 to 10 on the NCQF.

The old regulatory framework for Higher Education (HE) had different regulatory requirements for public and private ETPs under the then Tertiary Education Council (TEC). Public ETPs and their learning programmes were registered and not subjected to accreditation processes, whereas private ETPs were registered and their learning programmes first reviewed and approved for offer. The learning programmes would then be accredited if submitted for accreditation. Pending the gazetting of the BQA Regulations, the Authority continued these activities in accordance with Tertiary Education Regulations, 2004 and Tertiary Education (Accreditation of Private Institutions) Regulations, 2008.

8.6.2.1 Registration of Public HE ETPs and their learning programmes

No new public ETP was registered and therefore their number remained at 20, offering 546 learning programmes as shown in Table 5.

Table 5: Number of registered learning programmes by level in HE Public ETPs

Level of learning programme	Number of programmes
Diploma	180
Bachelor's Degree	175
Masters	138
Doctorate	53
TOTAL	**546**

8.6.2.2 Registration of Private HE ETPs, review and accreditation of their learning programmes

During the reporting period, the Authority continued with the registration of Higher Education ETPs, as well as review and accreditation of their learning programmes.

In this period, the Authority registered one private ETP, bringing the total to 27. The registered ETP is yet to submit learning programmes.

Under the old system, all private ETPs were required to submit programmes for review before offering them. Once approved, a programme would be run for at least one academic year before being considered for submission for accreditation. During the year under review, the Authority approved only two learning programmes. This was because focus was placed on accreditation, which is a regulatory requirement under the new BQA Regulations.

Under the old system, all approved programmes could be submitted to the Authority for accreditation after one year of being offered. This will no longer be done under the BQA Regulations, which provide that no learning programme will be offered until it is accredited. This is one key variance between the new and old requirements. The Authority received a total

8.0 ACHIEVEMENTS *continued..*

of 76 learning programmes for accreditation. The programmes were granted different statuses of full accreditation (24), provisional accreditation (28) deferred accreditation (22) and rejected (2). Programmes which had not been submitted for accreditation retained the 'approved' status. The 27 registered private ETPs offered 310 learning programmes in different accreditation phases as shown in Table 6.

Table 6: Number of learning programmes per accreditation status

Status	Number of programmes
Approved	116
Full Accreditation	87
Provisional Accreditation	69
Deferred Accreditation	36
Rejected	2
TOTAL	**310**

"BQA collaborated with various stakeholders to ensure effective and inclusive implementation of its mandate."

8.0 ACHIEVEMENTS *continued..*

DEFINATION OF STATUSES

Approved – The programme is validated against set standards by experts after which the ETP is given permission to offer the programme. This means the learning programme can be offered, and learners will graduate with a qualification that is recognised. The ETP may, after offering the programme for at least one academic year, apply for programme accreditation.

Fully Accredited – This status is given after validation has identified no gaps on the ETP and the learning programme. The programme can be offered and will be subjected to normal monitoring by BQA.

Provisional Accreditation – This status is given after the validation process has identified some gaps that the ETP must close within six months. Meanwhile, the ETP is allowed to enrol students in the learning programme and teach them towards a recognised qualification.

Deferred Accreditation – This status means the validation process has identified gaps that would need a year to close. Learners already enrolled on the learning programme would complete and graduate with a recognised qualification. During this period, the ETP would be under close monitoring by BQA to ensure learner protection. The ETP is not allowed to enrol new learners until the status changes to either Provisional or Full Accreditation.

Rejected – A programme is denied accreditation and should cease to run. Learners already enrolled on the learning programme will be transferred to an alternate ETP that provides a similar programme. The alternate ETP is normally identified at the time of application for accreditation for learner protection purposes.

8. 6.3 Registration and Accreditation of assessors and moderators

Assessment is an integral part of education, training and skills development. To ensure credibility of the assessment processes, ETPs are required to engage BQA accredited assessors and moderators. Pending the gazetting of the BQA Regulations, the Authority continued the registration and accreditation of assessors in accordance with the Vocational Training (Registration and Accreditation of Trainers and Assessors) Regulations, 2004. A total of 134 assessors were fully registered and 102 were provisionally registered. This brought the total number of assessors on full registration to 949, while 1021 were on provisional registration. The provisions were such that an assessor who possessed standard based assessor qualification or equivalent and a minimum of two years relevant experience was issued full registration, and the one who did not meet all requirements was given provisional registration. Registration and accreditation of moderators had not commenced by the end of the reporting period.

The Authority continued with the registration and accreditation of trainers whose applications were received before the old Regulations were repealed. A total of 604 trainers were fully registered, while 609 were provisionally registered. This has accumulated to 2918 trainers on full registration and 7909 on provisional registration. Registration and accreditation of trainers will be discontinued because the BQA Act does not provide for this service. The ETPs will, however, be required to submit credentials of their teachers as a key resource at learning programme accreditation stage.

8.6.4 Monitoring of accredited Vocational Training ETPs and assessment centres

The Authority undertakes monitoring of accredited ETPs to ensure compliance with the requirements. A total of 129 ETPs were audited, mainly for renewal of accreditation.

8.0 ACHIEVEMENTS *continued..*

8.6.5 Common non-compliance issues

The top five non-compliance issues observed during the audits were:

a. Use of unqualified lecturers, with regard to level of qualification and the area of specialisation.

b. Inadequate equipment, especially for practical subjects

c. Failure to produce Health and Safety Inspection reports

d. Failure to put in place rigorous processes of self-evaluation and internal audit that are inclusive of stakeholders for continuous improvement

e. Policy documentation and implementation: ETPs usually present well-crafted policies at the time of accreditation but often, these are not translated into practice, leading to non-compliance with set standards.

Most ETPs managed to close the non-compliances within the set turnaround times.

8.7 PARTNERSHIPS AND NETWORKS

BQA collaborated with various stakeholders to ensure effective and inclusive implementation of its mandate. The objective was to improve quality, relevance, access and equity of the Education and Training System.

8.7.1 African Qualifications Verification Network

Botswana Qualifications Authority participated in the first meeting of African Qualifications Verification Network (AQVN), which was held in Cape Town, South Africa in June 2016. The purpose was to formally launch the Network as well as draft its constitution. Among other things, AQVN exists for the development of trustworthy and legitimate institutional linkages and networks across the continent in order to verify qualifications and access learner records seamlessly.

This was a follow-up to an international seminar that was held in November 2014, hosted by the South African Qualifications Authority (SAQA) under the theme "Building Trust: Promoting Genuine Qualifications in Africa through Effective Verification." This event brought together key stakeholders from 14 African countries to work towards building a credible network for the verification of qualifications on the continent. An important outcome of the event was the adoption of a Joint Declaration. The idea of establishing a network emerged from a need expressed by the seminar participants to develop trustworthy, legitimate institutional linkages and networks across Africa driven by co-operation, collaboration and a common platform to access learner records. A decision was taken to establish an African Qualifications Verification Network.

8.7.2 Regional Qualifications Verification Network

Botswana Qualifications Authority participated in the first meeting of the Regional Qualifications Verification Network in South Africa. SADC Qualifications Verification Network (SADCQVN) was established to expedite the qualification verification and/or evaluation process, as well as to build relationships among SADC member states. The Network consists of the partners that verify national and foreign qualifications in SADC countries.

8.0 ACHIEVEMENTS *continued..*

Key areas of discussion included:

- Addis Convention
- SADC Roadmap to ratification structures, skills, and capacities
- Mobility statistics in SADC
- Modernising verification in SADC
- Implementation of the SADC Qualifications Framework
- SADCQVN membership of the African Qualifications Verification Network
- SADCQVN Action Plan and way forward

8.8 KNOWLEDGE MANAGEMENT AND RESEARCH

BQA coordinates, conducts and commissions research on quality assurance systems and manages knowledge through the in-house Information Resource Centre.

8.8.1 Information Resource Centre (IRC)

The Information Resource Centre (IRC) is a multi-functional, focal point for BQA staff. It is central for implementing, enriching and supporting research conducted in response to the BQA Regulations and Standards. Staff has access to print and electronic infomation resource collection. The service empowers staff to become independent researchers and encourages them to be effective users of knowledge and information. The IRC also provides and promotes quality reading experiences, which enable staff to develop their literacy skills and interest in reading for pleasure and understanding through the Novel and Fiction section.

The Authority installed 3M Library Management Security System to deter book theft.

8.8.1.1 Libwin Library Management System

Libwin is a highly efficient and effective automated system for libraries. It covers accessioning, labelling, and contacting an errant borrower. The automation includes the cataloguing of media items and borrowers, and the management of these two parties by means of transactions (loans, returns and renews). The management modules provide ease-of-use in the areas of inventory (stock-taking), receiving and control of periodicals, simplified ordering, as well as reporting functions. Libwin was availed on BQA Intranet on Open Access platform where staff can access, search collection and make requests online.

8.8.2 RESEARCH

Two studies were conducted this year.

8.8.2.1 RPL Impact Assessment Survey

BQA recognises the importance of investing in skills development to increase labour productivity and to reduce unemployment amongst the marginalised and disadvantaged groups. Skills recognition through RPL is one exit route for these groups and plays a key role in increasing their income thus contributing to poverty reduction and reduced inequality.

8.0 ACHIEVEMENTS *continued..*

Under the old system, BQA coordinated and facilitated implementation of RPL through assessment of programmes registered on the Botswana National Vocational Qualifications Framework (BNVQF), namely, Basket weaving, Song and Dance, Pottery, and Leatherworks. It was important to review the impact made by the products like recognition of individual skills, which are given to customers, with the view to maintain or make improvements in the system.

The study revealed that 80% of candidates indicated that there was improvement in their lives after their skills were recognised. Even though most of respondents indicated a minimal impact after going through RPL in sustenance of livelihoods, the study discovered that some had benefited significantly through use of their recognised skills.

8.8.2.2 School Capacity Survey

The Authority aims to facilitate supply of globally competitive skills through quality assured Education and Training Providers. This requires constant data collection to measure supply, and assure capacity to deliver desired quality for local and aspired international markets.

The school capacity survey was conducted in all BQA accredited ETPs, and 91 ETPs submitted data. Out of the total that submitted, 32 ETPs were from Higher Education and 59 from Technical and Vocational Education and Training sub-systems. The International Standard Classification of Education (ISCED, 2013) was used to classify enrolments in HE and TVET subsystems.

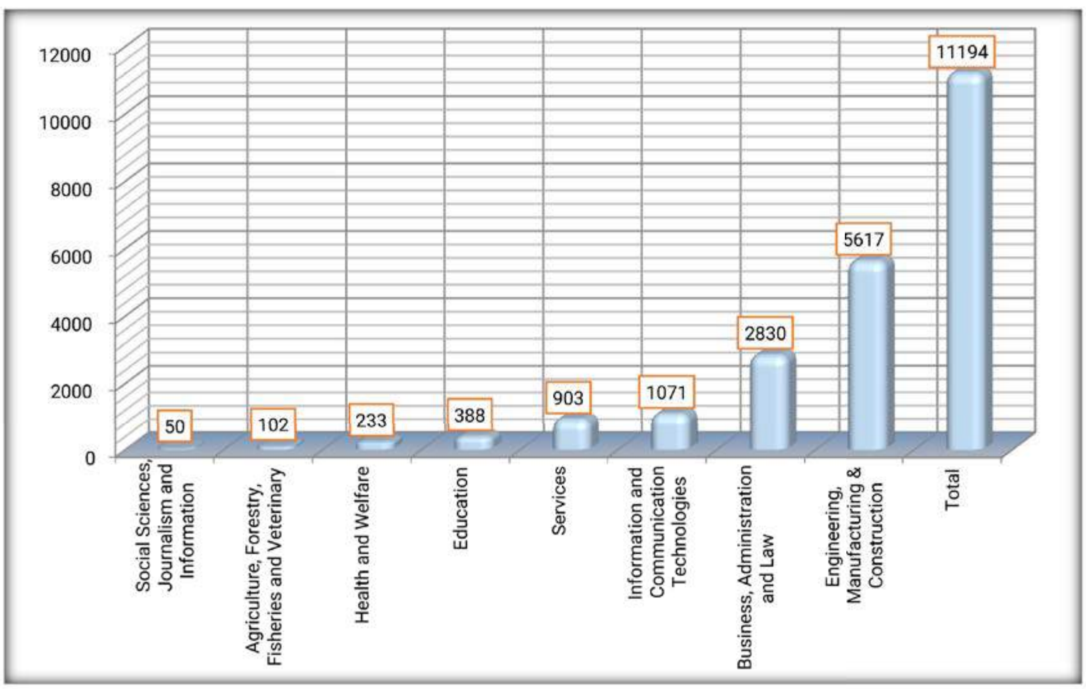
8.0 ACHIEVEMENTS *continued..*

Table 7: Number of Enrolments by Education

ISCED Classification for HE	Total Enrolment 2016/17	2016 Graduates
Natural Sciences, Mathematics and Statistics	317	135
Education	1 512	1 026
Social Sciences, Journalism and Information	1 521	236
Arts and Humanities	2 409	281
Information and Communication Technology	2 899	992
Engineering, Manufaturing & Construction	3 608	1 551
Services	3 715	685
Health and Welfare	4 149	974
Business, Administration and Law	8 392	2 108
TOTAL	**28,522**	**7 988**

A total of 28 522 learners enrolled in higher education ETPs. Of these, 8 392 enrolled in Business, Administration and Law programmes while 1 512 enrolled in Education programmes. The lowest enrolments were in Natural Sciences, Mathematics and Statistics. A total number of 7 988 graduated in 2016.The highest number of graduates was from Business, Administration and Law programmes at 2108.

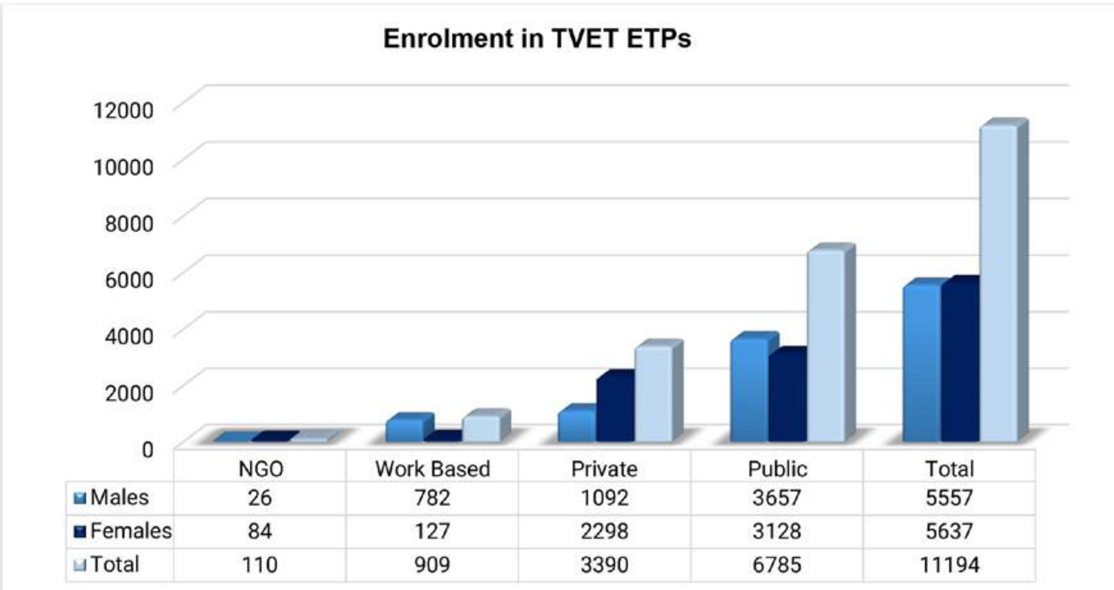
Graph 2: TVET in ISCED



A total of 11 194 learners enrolled in the TVET Education and Training Providers. Half of these learners (50.2%) were pursuing Engineering, Manufacturing and Construction programmes while a very small percentage (0.45%) were doing programmes that fall under the Social Sciences, Journalism and Information classifications.

8.0 ACHIEVEMENTS *continued..*

Graph 3: Enrolments in TVET ETPs



	NGO	Work Based	Private	Public	Total
Males	26	782	1092	3657	5557
Females	84	127	2298	3128	5637
Total	110	909	3390	6785	11194

*Out of the total 11 194 enrolled in TVET ETPs, 60% of the learners (6785/11194*100) were enrolled in public ETPs while roughly 1% (110/11194*100) were enrolled in Non- Governmental Organisational ETPs.*

QUALITY CUSTOMER SERVICE

"average customer satisfaction level increased by 4% to 93% as compared to 89% in 2015/16. The Authority exceeded the set target by 6%."

8.0 ACHIEVEMENTS *continued..*

8.9 CUSTOMER SERVICE

BQA has adopted customer focus as one of its values, and customer satisfaction as one of its strategic objectives. The Authority continuously monitors customer satisfaction to ensure that the services it provides meet, or even surpass customer expectations. More effort is being made to create and maintain a customer focused culture, which will make the customer experience at BQA memorable.

This year, average customer satisfaction level increased by 4% to 93% as compared to 89% in 2015/16. The Authority exceeded the set target by 6%. It has to be noted that the Authority had suspended its services from August to December 2016 to prepare for implementation of the new system in January 2017.

Table 8: Customer satisfaction levels in 2016/17

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Average
Target	87%	87%	87%	87%	
Achieved	95%	91%	93%	93%	93%

A One Stop-Customer Service Centre was established in 2015/2016 to manage and coordinate customer needs. This initiative has been well received by customers as it provides a customer friendly environment and minimises unnecessary customer movements. All customer requests are channeled through the customer service centre ensuring standardisation of messages and coordinated resolution of complaints. The Authority experienced an increased number of complaints, most of which were successfully resolved.

8.0 ACHIEVEMENTS *continued..*

8.10 COMMUNICATIONS AND PUBLIC RELATIONS

Following the gazetting of BQA Regulations there was need to extensively educate stakeholders on the BQA Mandate. Key messaging during this period was the value add of the reforms, transitional and saving arrangements.

A contextual communication plan was developed and implemented to create awareness, solicit stakeholder buy-in and build integrity of the education training and skills development system. The key messages were aligned to the strategic plan milestones. A stakeholder mapping exercise was done and stakeholders engaged as appropriate.

In the third Quarter of the financial year, the Authority had to do crisis communication due to a number of learner unrests which were sparked by misunderstanding of the accreditation process under the old system. BQA engaged stakeholders including student leaders, management of private Higher Education providers, student communities, media, professional bodies and associations to clarify any misunderstandings. The engagements will be continued beyond the transition period.

The Authority established three low cost high impact media and stakeholder partnerships and aligned itself with projects such as Presidential Housing Appeal, Job Summit, Excellence Awards, Fairs and Exhibitions, My Star, Diacore Marathon, Super 5 Five A Side soccer tournament, ChildLine Charity Games, Debate without Borders, and BOT 50 celebration, amongst others.

The BQA Facebook attracted 14,076 friends and followers compared to 8,726 in 2015/16 demonstrating a 62 % growth.

The BQA website went live and was constantly updated. The lists of BQA registered ETPs and their learning programmes were periodically updated to ensure that learners make informed decisions when they enrolled.

8.10 .1 Corporate Social Responsibility

BQA and the Out of School Education and Training Unit (OSET) continued the maintenance of four sites in Lehututu, Mambo, Mopipi and Takatokwane which were built under the Memorandum of Understanding between the two parties to roll out the Hole–in–the-Wall Education and Learning (HiWEL) project.

HiWEL is a concept that was conceived in India by the National Institute for Information Technology (NIIT) through conducting educational experiments on children aged between 6 and 16 years. These experiments revealed that semi-literate children could quickly teach themselves the rudimentary basics of computers and internet. The partnership with OSET absorbs both child and adult learners.

The key concept is that the basic computing skills can be acquired by any group of children through incidental learning, provided they are given access to a suitable computing facility with entertaining and motivating content, and with minimal guidance. This learning process is also known by the name Minimal Invasive Education (MIE).The sites in Old Naledi in Gaborone and Moremi in Maun also remained operational and were renovated during the year under review.

BQA donated funds to Moroka Primary School towards construction of hostels for learners with disabilities, and donated money for books and toys to Lehututu Village Development Committee Day Care Reading Room. The Authority also donated toiletries to Mother Pontsho Foundation in Mmopane during the BOT 50 celebrations.

8.0 ACHIEVEMENTS *continued..*

8.11 MANAGEMENT SYSTEMS

8.11 .1 Quality Management System

The Authority's Quality Management System (QMS) continued to be maintained through internal audits, external audits, and Management Reviews as required by the BOS ISO 9001: 2008 Standard. The purpose of the audits was to verify continued compliance with the standard and the Authority's documented system. The results of both internal and external audits confirmed that the Authority's QMS was well documented and adequately implemented.

During the reporting period, the Authority embarked on a project to align its processes, procedures and instruments to the BQA Regulations and the new organisational structure. Another key activity was the development of a transition plan in preparation for the migration of the Authority's QMS to the new standard BOS ISO 9001:2015, which was published in September 2016. Transition activities were targeted to run from April 2017 to March 2018.

8.11.2 Records Management System

Records Management continued to play a pivotal role in the management, creation, capture, circulation and control of BQA's corporate records to maintain support of business functions and activities. This is done in accordance with the BOS ISO 9001:2015 Standard requirements.

The HP Records Manager System was instrumental in improving the efficiency, distribution and access of corporate records. The Authority reviewed and re-aligned the Records Management Policy to include issues pertaining to management of social media and shared folders records. The retention schedule was developed in preparation for disposal of the Authority's inactive records.

BQA had to clear backlog applications submitted under the BOTA and TE Regulations to pave way for implementation of the BQA Regulations and hence a large volume of both incoming and outgoing correspondence was experienced. This was handled successfully.

8.12. HUMAN RESOURCE MANAGEMENT

The primary focus for the BQA was staff recruitment, staff training and development and implementing the Performance and Rewards Management System (PRMS) as well as rationalisation and structural review of the organisation.

8.12.1 Staff Recruitment

The staff recruitment target for the financial year under review was to fill thirty-three (33) positions. However, twenty six (26) positions were filled representing 79% achievement against the target. Seven (7) positions were not filled mainly due to the difficulty in attracting suitably qualified candidates, especially for positions requiring a PhD qualification, and the Authority's uncompetitive remuneration package.

Recruitment for the seven positions will form part of the recruitment plan for the next financial year.

8.0 ACHIEVEMENTS *continued..*

8.12.2 Staff Complement

The Authority had a staff complement of 110 by the end of the financial year.

8.12.3 Staff Turnover

No employees left the Authority during the year under review.

8.12.4 Staff Training and Development

Staff training and development was generally geared towards addressing current and emerging organisational and individual needs. It covered key areas such as leadership, management, and technical skills needed at various levels to effectively deliver on the Authority's mandate. Some of the training and development activities were continuing from the previous year(s) while others were new.

Staff training and development achievements are summarised in Table 9:

Table 9: Staff Training and Development Achievements

Programme category	No of training Programmes	No of training Programmes enrolled in	No of training Programmes enrolled in
New Programmes	8	7	2
Continuing Training	18	10	3
Prioritised Competency gaps	10	6	6
Short Courses	9	8	8
Group Training	2	2	2
Total	**47**	**33**	**21**

The Authority's staff development and training target was to ensure that 95% of the approved forty seven (47) training programmes were enrolled in. However, thirty three (33) training programmes were enrolled in representing 70% achievement against the target. A major contributory factor to non-achievement of the set target was that some staff members in long term training programmes brought forward from the previous financial year did not continue with their training due to various reasons.

8.12.5 Implementation of the Performance and Reward Management System (PRMS)

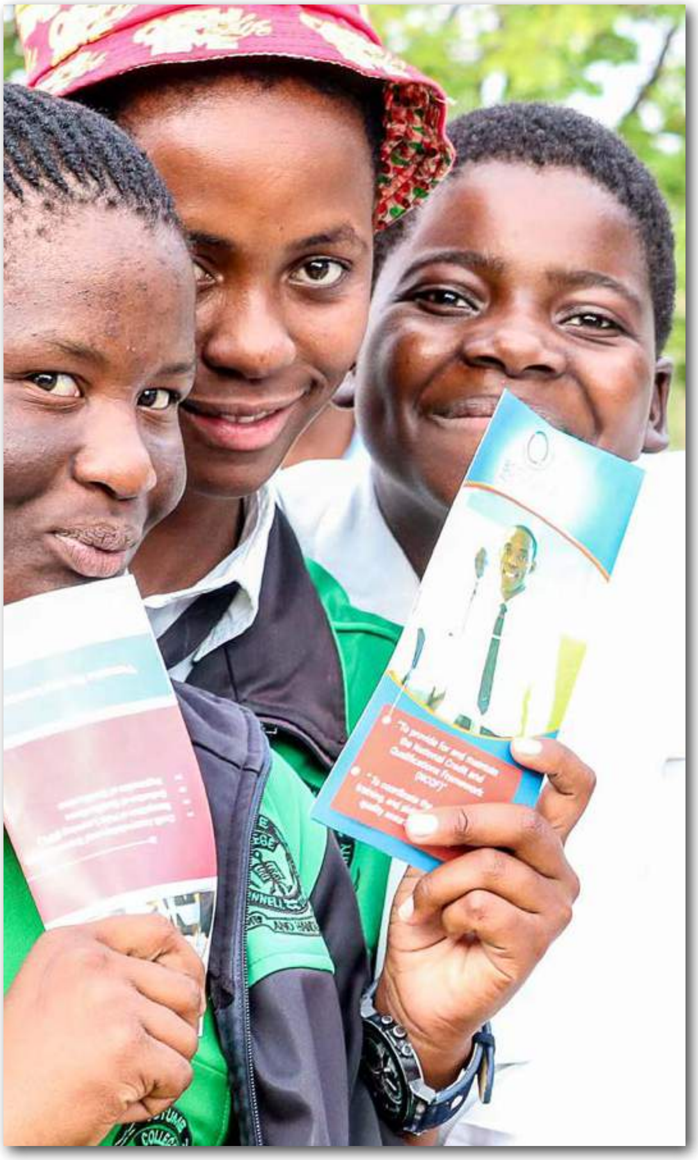
Implementation of the revised Performance and Reward Management System (PRMS) began during the review period. Due to the Authority's ongoing transition, implementation of the PRMS encountered a number of challenges which interfered with its smooth take-off. The same challenges impacted negatively on the delivery of some of the Strategic Plan targets as the PRMS and the Strategy are interlinked.

8.0 ACHIEVEMENTS *continued..*

8.12.6 Staff Performance Assessment Results

During the review period, a total of 106 employees entered into performance contracts and they all had their performance assessed at the end of the financial year. The Strategic Plan target for employee performance was that 90% of employees should achieve performance expectations. The other target was that 90% of new hires should achieve performance expectations. Of the 106 employees whose performance was assessed, 95 (90%) achieved performance expectations while all the 18 (100%) new hires achieved performance expectations.

The results show that in spite of the challenges met, the target for employee performance was met while that for new hire performance was exceeded by 10%.



8.12.4 Change Management

The Authority has adopted the Prosci', ADKAR Change Management Methodology to manage change during the transition. Change readiness assessments were undertaken and the results reflected a high risk change with a wider magnitude. This called for structured Change initiatives geared towards; resistance management, coaching, communication, and training to minimise the impact of the transition on staff productivity levels.

The implications and effects of the transition on external stakeholders are managed through a robust capacity building plan, and regular engagement of specific stakeholder groups.

9.0 CHALLENGES

9.0 CHALLENGES

BQA is still essentially an organisation in transition, and it experienced significant hurdles and challenges that needed to be overcome before it could be fully established.

9.1 Delayed BQA Regulations

The delay to gazette Regulations during this financial year resulted in delays in the implementation of key functions. Nonetheless, the Authority effectively dealt with the challenges and managed to conclude the activities of the then BOTA, developed the necessary instruments, consulted stakeholders and built staff capacity for the expanded mandate at BQA.

9.2 Quality Assurance

Levels of compliance within accredited ETPs have improved, albeit with a few major challenges noted, such as:

i. Some ETPs continued to employ trainers who were not qualified and this was attributed to the high mobility of trainers in the system. Initiatives such as public education and partnerships with associations of teachers, ETPs management, and student leaders to monitor the situation will continue to be undertaken.

ii. Unavailability of valid Health and Safety inspection reports due to infrastructure not meeting the requirements of the Local Authorities. BQA continues to engage with stakeholders to persuade them to ensure good upkeep of the buildings.

9.3 Financial and other resources.

It became apparent during the reporting period that the available financial resources were inadequate. The Authority was not able to raise adequate budget through subventions from Government and other sources of income to support its planned activities. The Authority had to operate at a rationalised minimal budget as was the case in the 2015/2016 financial year.

The Authority has had to take a phased-in approach in addressing the challenges referred to above.

BOTSWANA
Qualifications Authority

(Established under the Botswana Qualifications Authority Act No. 24 of 2013)

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

AUTHORITY INFORMATION

Domicile, legal form and principal business activity:

The Botswana Qualifications Authority (BQA) is a body corporate domiciled in Botswana. It was established under the Botswana Qualifications Authority Act No. 24 of 2013 to provide for and maintain a national credit and qualifications framework and to coordinate the education, training and skills development quality assurance system. The Botswana Qualifications Authority Act was effected on 8 November 2013.

Registered address: Plot 66450, Block 7 Gaborone

Board of Directors:

Chairperson:	**Charles Siwawa**
Vice Chairperson:	**Joyce Maphorisa**
	Mr Barulaganye J Mogotsi
	Mr Boniface G Mphetlhe
	Mr Joseph M Matome
	Mr Mogapi E Madisa
	Mr Charles I Coyne
	Mrs Dorcus M Phirie
	Mr John D Slater
	Mr Busie J Moepi
Secretary:	**Kennedy Pheko**
Postal address:	Private Bag BO340 Gaborone
Auditors:	PricewaterhouseCoopers Gaborone
Bankers:	First National Bank of Botswana Limited Stanbic Bank Botswana Limited

8.0 ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

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for the year ended 31 March 2017

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors of Botswana Qualifications Authority are responsible for the annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Qualifications Authority Act, No 24 of 2013.

The Botswana Qualifications Authority ("BQA"/ "Authority") maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of Authority's assets. The directors are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of Directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The Directors have no reason to believe that the Authority will not be a going concern in the foreseeable future, based on the continuous support by the Government of Botswana through the Ministry of Tertiary Education Research Science and technology.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The annual financial statements on pages 47 to 84 and supplementary information were authorised for issue by the Board of Directors on 25 September 2017 and are signed on its behalf by:

Director

Director

Independent auditor's report
To the Minister of Tertiary Education Research and Technology

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Botswana Qualifications Authority (the "Authority") as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

Botswana Qualifications Authority's financial statements set out on pages 47 to 84 comprise:

- the statement of financial position as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Authority in accordance with the Botswana Institute of Chartered Accountants Code of Ethics (the "BICA Code") and the ethical requirements that are relevant to our audit of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with these requirements and the BICA Code. The BICA Code is consistent with the International Standard Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B).

Other information

The directors are responsible for the other information. The other information comprises the Authority Information, Statement of Responsibility by the Board of Directors and Detailed Income Statement which we obtained prior to the date of this auditor's report and sections of Botswana Qualifications Authority's 2016/2017 Annual Report, which are expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw

Country Senior Partner: B D Phirie
Partners: R Binedell, A S Edirisinghe, L Mahesan, R van Schalkwyk, S K K Wijesena

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Botswana Qualifications Authority Act, No 24 of 2013, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with Section 23(3) of the Botswana Qualifications Authority Act, 2013, we confirm that:

- We have received all information and explanations which, to the best of our knowledge and belief, were necessary for the performance of our duties;
- The accounts and related records of the Botswana Qualifications Authority have been properly kept;
- The Botswana Qualifications Authority has complied with all the financial provisions of the Act; and
- Financial statements prepared by the Botswana Qualifications Authority were prepared on a basis consistent with that of the preceding year except for the adoption of new and revised International Financial Reporting Standards as stated in Note 13.1 to the financial statements.

PricewaterhouseCoopers

Individual practising member: Kosala Wijesena
Membership number: 20000110

29 September 2017
Gaborone

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

STATEMENT OF COMPREHENSIVE INCOME

	Note	2017 P	2016 P
Income			
Goverment Subvention		**33,948,759**	36,677,563
NCQF project fund		**6,306,952**	-
BOTA office project fund		**1,113,872**	-
Contribution from the Human Resource Development Fund		**28,106,842**	28,228,475
Registration Fees		**3,616,084**	5,665,140
Amortisation of capital grants		**2,026,704**	1,743,545
	1	**75,119,213**	72,314,723
Other Income	**2.1**	**472,225**	847,457
Total Income		**75,591,438**	73,162,180
Expenditure			
Armotisation of intangible assets		**119,190**	30,553
Advertising and promotion		**2,766,167**	2,061,522
Computer Expenses		**3,366,823**	2,298,000
Depreciation of property, plant and equipment		**2,189,370**	2,363,316
Maintanance and running cost		**2,524,156**	1,243,971
Research and consultation		**4,957,128**	4,363,573
Staff cost		**54,111,998**	45,447,840
Travelling and accommodation		**1,410,519**	1,438,698
Workshops and conferences		**1,776,624**	1,603,648
Other operating expenses		**6,204,282**	5,267,158
Total Expenditure	**2.2**	**79,426,257**	66,118,279
Finance income	**2.3**	**230,175**	152,862
(Deficit) / Surplus for the year		**(3,604,644)**	7,196,763
Other Comprehensive income			
Iterm will not be reclassified to income statement Revaluation gain on property, plant and equipment	**5.1**	-	5,195,121
Total Comprehensive (Deficit) / Income for the year		**(3,604,644)**	12,391,884

ANNUAL FINANCIAL STATEMENTS

As at 31 March 2017

STATEMENT OF FINANCIAL POSITION

	Note	2017 P	2016 P
ASSETS			
Non-current asserts			
Property, plant and equipment	5.1	**63,542,359**	62,346,390
Intangible assets	5.3	**1,057,659**	524,622
Total non-current assets		**64,600,018**	62,871,012
Current Assets			
Trade and other Recievables	**4.1**	**7,940,444**	9,438,672
Cash and cash equivalents	**4.2**	**28,966,042**	30,828,777
Total current assets		**36,906,486**	40,267,449
Total assets		**101,506,504**	103,138,461
LIABILITIES			
Non-current liabilities			
Capital Grants	5.4	**33,702,813**	31,690,662
Current Liabilities			
Project Funds	5.5	**1,757,414**	8,982,052
Trade and other payables	4.3	**3,674,323**	7,492,245
Employee benefit obligations	5.6	**20,555,564**	9,552,468
Total current liabilities		**25,987,301**	26,026,765
Total Liabilities		**59,690,114**	57,717,427
Net assets		**41,816,390**	45,421,034
EQUITY			
Funds and reserves			
Accumulated funds	6.1	**7,709,224**	11,313,868
revaluation reserve	6.2	**34,107,166**	34,107,166
Total Equity		**41,816,390**	45,421,034

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

STATEMENT OF CHANGES IN EQUITY

	Note	Accumulated Funds P	Revaluation Reserve P	Total Equity P
For the year ended 31 March 2016				
Balance at 1 april 2015		4,117,105	28,912,045	33,029,150
Surplus for the year		7,196,763	-	7,196,763
Other comprehensive income				
Revaluation gain	**6.2**	-	5,195,121	5,195,121
Balance at 31 March 2016		11,313,868	34,107,166	**45,421,034**
For the year ended 31 March 2016				
Balance at 1 April 2016		11,313,868	34,107,166	**45,421,034**
Deficit for the year		(3,604,644)	-	(3,604,644)
Balance at 31 March 2017		**7,709,224**	**34,107,166**	**41,816,390**

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

STATEMENT OF CASH FLOWS

	Note	2017 P	2016 P
Cash flows from operating activities			
(Deficit) / surplus for the year		**(3,604,644)**	7,196,763
Adjustment for non cash items:			
Amortisation of deferred capital grants	**5.4**	**(2,026,704)**	(1,743,545)
Depreciation of property, plant and equipment	**5.1**	**2,189,370**	2,363,316
Amortisation of intangible assets	**5.3**	**119,190**	30,553
Loss on disposal of property, plant and equipment		**(139,195)**	-
Interest income	**2.3**	**(230,175)**	(152,862)
Changes in working capital			
Trade and other receivables		**1,498,228**	(667,906)
Employee benefit obligations		**11,003,096**	(3,992,633)
Trade and other payable		**(3,817,922)**	(1,600,969)
Net cash inflow from operating activities		**4,991,244**	1,432,717
Cash flows from investing activities			
Purchase of property, plant and equipment	**5.1**	**(3,386,628)**	(1,933,372)
Purchase of intangible assets	**5.3**	**(652,227)**	(555,175)
Interest received	**2.3**	**230,175**	152,862
Proceeds from sale of property, plant and equipment		**140,484**	-
Net cash outflow from investing activities		**(3,668,196)**	(2,335,685)
Cash flows from financing activities			
Capital grants received	5.4	**3,846,541**	2,488,547
Projects funds received	5.5	**388,500**	-
Transfer to Government Subvention	5.5	**(7,420,824)**	-
Net cash outflow from financing activities		**(3,185,783)**	2,488,547
Net (decrease) / increase in cash and cash equivalents		**(1,862,735)**	1,585,579
Cash and cash equivalents at beginning of year		**30,828,777**	29,243,198
Cash and cash equivalents at end of year	4.2	**28,966,042**	30,828,777

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

NOTES TO THE FINANCIAL STATEMENTS

1. Income

	2017 P	2016 P
Government subvention	**37,795,300**	39,166,110
Less: amount transferred to capital grants (Note 5.4)	**(3,846,541)**	(2,488,547)
	33,948,759	36,677,563
NCQF Project fund (Note 5.5)	**6,306,952**	-
BOTA office project fund (Note 5.5)	**1,113,872**	-
Contribution from the Human Resource Development Fund	**28,106,842**	28,228,475
Registration fees	**3,616,084**	5,665,140
Amortisation of deferred capital grants	**2,026,704**	1,743,545
	75,119,213	72,314,723

2. Other income and expenses items

2.1 Other income

	2017 P	2016 P
Conference registration fees	**-**	76,880
Miscellaneous income	**472,225**	770,577
	472,225	847,457

2.2 Breakdown of expenses by nature

	2017 P	2016 P
Auditor's remuneration:		
- current year	**333,289**	180,600
- prior year underprovision	**-**	78,792
	333,289	259,392
Board fees and expenses	**431,309**	699,636
Depreciation of property, plant and equipment (Note 5.1)	**2,189,370**	2,363,316
Amortisation of intangible assets (Note 5.3)	**119,190**	30,553
Travel and accommodation expenses	**1,410,519**	1,438,698
Staff costs	**54,111,998**	45,447,840
Advertising and promotion	**2,766,167**	2,061,522
Computer expenses	**3,366,823**	2,298,000
Insurance	**1,087,401**	884,213
Maintenance and running costs	**2,524,156**	1,243,971
Printing and stationery	**1,446,420**	892,778
Research and consultancy	**4,957,128**	4,363,573
Workshops and conferences	**1,776,624**	1,603,648
Other expenses	**2,905,863**	2,531,139
Total administrative expenses	**79,426,257**	66,118,279

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

NOTES TO THE FINANCIAL STATEMENTS

2.2 Breakdown of expenses by nature (continued)

Staff costs	**2017** **P**	**2016** **P**
Salaries and wages	**38,809,313**	32,671,197
Gratuity	**10,749,701**	8,868,212
Medical expenses	**993,345**	799,803
Leave pay	**2,000,203**	2,165,719
Other staff costs	**1,534,235**	927,941
Severance pay	**25,201**	14,968
	54,111,998	45,447,840

2.3 Finance Income

	2017 **P**	**2016** **P**
Finance income		
Interested recieved on short term investments	**230,175**	152,862

The interest income relates to interest earned on short-term deposits maintained with the banks.

3 Income tax

No provision for taxation is required as the Authority is exempt from taxation in terms of the second schedule of the Income Tax Act (Chapter 52:01).

4 Financial assets and financial liabilities

The Authority holds the following financial instruments:

Financial assets	***Notes***	**Assets at fair value through profit loss** **P**	**Financial assets at amortised cost** **P**	**Total** **P**
At 31 March 2017				
Trade and other recievables	4.1	-	6,960,320	**6,960,320**
cash and cash equivalents	4.2	-	28,966,042	**28,966,042**
		-	**35,926,362**	**35,926,362**
At 31 March 2017				
Trade and other receivables*	4.1	-	8,422,147	8,422,147
Cash and cash equivalents	4.2	-	30,828,777	30,828,777
		-	39,250,924	39,250,924

*excluding prepayments

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

NOTES TO THE FINANCIAL STATEMENTS

4 Financial assets and financial liabilities continued..

Financial Liabilities	Notes	Liabilities at amortised cost P
At 31 March 2017		
Other payables*	**4.3**	3,674,323
At 31 March 2016		
Other payables*	**4.3**	7,492, 245

*excluding non-financial liabilities

Authority's exposure to various risks associated with the financial instruments is discussed in Note 8. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

4.1 Trade and other receivables

	2017 P	2016 P
Trade receivables	**208,363**	1,090,351
Less: Provision for impairment (Note 8.2)	**(105,920)**	-
	102,443	1,090,351
Contributions receivable from Human Resource Development Fund	**6,517,659**	7,134,910
Prepayments	**980,124**	1,016,525
Other receivables	**340,218**	196,886
	7,940,444	9,438,672

Trade and other receivables are receivable within a year. Since impact of discounting is not significant, the fair value of trade and other receivables equals the carrying amount.

As of 31 March 2017, trade receivables of P 9,100 (2016: 59,965) were fully performing.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

4.1 Trade and other receivables (continued)

As at 31 March 2017, trade receivables of P 93,343 (2016: 1,030,386) were past due but not impaired. These relates to number of independent customers for whom there is no history of default. The aging analysis of these receivables is as follows;

	2017 P	2016 P
Age analysis of past due but not impaired debtors:		
Over 120 days	**93,343**	**1,030,386**

All asset classes do not contain impaired assets.

Maximum exposure to credit at the reporting date was the fair value of each asset class of receivable mentioned above. Authority does not hold any collateral as security.

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. The Authority's impairment and other accounting policies for trade and other receivables are outlined in Notes 7.2 and 13.6 respectively.

(ii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Authority.

(iii) Fair values of trade and other receivables

Fair value of Trade receivables as at 31 March 2017 amount to P 208,363 (2016: P 1,090,351).

Due to the short-term nature of the other receivables, their carrying amount is considered to be the same as their fair value.

(iv) Impairment and risk exposure

Information about the impairment of trade and other receivables and the Authority's exposure tocredit risk and interest rate risk can be found in Note 8.

4.2 Cash and cash equivalents

	2017 P	2016 P
Bank balances	**28,964,840**	30,828,628
Cash on hand	**1,202**	149
	28,966,042	30,828,777

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2017 P	2016 P
Bank balances	**28,964,840**	30,828,628
Cash on hand	**1,202**	149
	28,966,042	30,828,777

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See Note 13.5 for the Authority's other accounting policies on cash and cash equivalents.

4.3 Other payments

		2017 P	2016 P
Current liabilities			
Accruals		**1,130,766**	426,027
Other payables	- salaries backpay	**-**	2,881,294
	- suppliers payments	**2,465,516**	4,117,411
	- miscellaneous	**78,041**	67,513
		3,674,323	7,492,245

Other payables comprise amounts owing for general supplies, utilities and accruals of ongoing expenses. The directors consider that carrying amounts of trade and other payables approximate their fair value.

5 Non-financial assets and liabilities

5.1 Property, plant and equipment

	Land and buildings (valuation) P	Plant and machinery (cost) P	Motor vehicles (cost) P	Furniture and fittings (cost) P	Office equipment (cost) P	Computer equipment (cost) P	Library books (cost) P	Total P
Cost/valuation								
Balance at 1 April 2015	54,600,000	4,705,699	1,852,569	2,878,451	1,804,622	2,170,617	315,695	68,327,653
Additions	-	151,968	399,181	106,956		- 1,223,632	51,635	1,933,372
Revaluation	5,195,121	-	-	-	-	-	- -	5,195,121
Reversal on revaluation of land and buildings	(3,995,121)	-	-	-	-	-	- -	(3,995,121)
Balance at 31 March 2016	55,800,000	4,857,667	2,251,750	2,985,407	1,804,622	3,394,249	367,330	71,461,025
Additions	192,314	-	1,763,435	654,338	86,583	668,322	21,636	3,386,628
Disposals	-	-	(301,970)	(29,991)	(669,392)	(160,871)		(1,162,224)
Balance at 31 March 2017	55,992,314	4,857,667	3,713,215	3,609,754	1,221,813	3,901,700	388,966	73,685,429
Accumulated depreciation								
Balance at 1 April 2015	2,657,737	1,250,964	1,463,871	1,641,415	1,724,962	1,697,360	310,131	10,746,440
Charge for the year	1,337,384	239,800	138,064	277,116	35,903	319,469	15,580	2,363,316
Reversal on revaluation of land and buildings	(3,995,121)	-	-	-	-	-	-	(3,995,121)
Balance at 31 March 2016	-	1,490,764	1,601,935	1,918,531	1,760,865	2,016,829	325,711	**9,114,635**
Charge for the year	929,800	242,883	221,121	340,003	39,802	379,305	36,456	**2,189,370**
Disposal	-	-	(301,970)	(29,950)	(668,144)	(160,871)	-	**(1,160,935)**
Balance at 31 March 2016	**929,800**	**1,733,647**	**1,521,086**	**2,228,584**	**1,132,523**	**2,235,263**	**362,167**	**10,143,070**
Carrying amount								
At 31 March 2016	55,800,000	3,366,903	649,815	1,066,876	43,757	1,377,420	41,619	62,346,390
At 31 March 2017	**55,062,514**	**3,124,020**	**2,192,129**	**1,381,170**	**89,290**	**1,666,437**	**26,799**	**63,542,359**

An independent valuation of the Authority's land and buildings was performed in 2015/2016. The next valuation would be done in 2018/2019 as per the approved policy.

5.1 Property, plant and equipment (continued)

(i)Disclosure of depreciation in the statements of comprehensive income

Depreciation charge for the year has been classified in the statement of comprehensive income as follows:

	2017 P	2016 P
Expenditure		
Depreciation of property, plant and equipment	**2,189,370**	2,363,316

(ii) Revaluation, depreciation methods and useful lives

Land and buildings are recognised at fair value based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation for land and buildings. A revaluation surplus is credited to other reserves (Note 6.2). All other property, plant and equipment is recognised at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Leasehold land and buildings	Over the lease period
Plant and machinery	20 years
Motor vehicles	6-10 years
Furniture and fittings	10 years
Office equipment	5 years
Computer equipment	6 years
Computer software	7 years
Library books	2 years

See note 13.8 for other accounting policies relevant to property, plant and equipment.

(iii) Significant estimates – valuations of land and buildings

Information about the valuation of land and buildings are provided in Note 7.1.1.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

5.1 Property, plant and equipment (continued)

(vi) Carrying amounts that would have been recognised if land and buildings that were revalued were stated at cost
If the land and building were carried at cost before the above revaluation adjustment, the respective carrying amounts would be as follows;

Financial assets	*Cost* *P*	Accumulated Depreciation P	Net Book Amount P
At 31 March 2016			
Land	112,219	(26,931)	85,288
Building	28,958,849	(4,504,710)	24,454,139
	29,071,068	(4,531,641)	24,539,427
At 31 March 2017			
Land	112,219	(29,175)	**83,044**
Building	28,958,849	(5,148,240)	**23,810,609**
	29,071,068	**(5,177,415)**	**23,893,653**

5.2 Recognised fair value measurements

(i) Fair value hierarchy
The Authority has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards.

Non-recurring fair value measurements	*Notes*	Level 1 P	Level 2 P	Level 3 P	Total P
At 31 March 2017					
Land and building	**5.1**	-	-	55,800,000	**55,800,000**
At 31 March 2016					
Land and building	**5.1**	-	-	55,800,000	**55,800,000**

The Authority's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels during the year.

5.2 Recognised fair value measurements

(ii) Valuation techniques used to determine level 3 fair values

The Authority obtains independent valuations for its land and building at least every three years.

At the end of each reporting period, Management updates their assessment of the fair value of land and building taking into account the most recent independent valuations. Management determines values within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
Fair value measurements using significant unobservable inputs (Level 3) - Land and buildings
- discounted cash flow projections based on reliable estimates of future cash flows; and
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Land and building were revalued as at 31 March 2016 by Monageng Valuers (Proprietary) Limited based on the open market value at P 55,800,000.

See below for the analyses for non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

Fair value measurements using significant unobservable inputs (Level 3) - *Land and buildings*

	2017 P	2016 P
Opening balance at 1 April	**55,800,000**	51,942,263
Revaluation gain	**-**	5,195,121
Depreciation on revaluation	**(929,800)**	(1,337,384)
Closing balance at 31 March	**54,870,200**	55,800,000

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5.2 Recognised fair value measurements (continued)

(iii) Valuation processes

The external valuations of the land and buildings have been performed using income approach. The valuations have been performed using unobservable inputs. Accordingly, the fair value measurement has been classified under level 3. The external valuer, in discussion with the management of BQA has determined these inputs based on the size, age and condition of the land and building, the state of the local economy and comparable prices.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 March 2017	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Plot 66450, Gaborone	55,062,514	Income approach	Office rental	P 60 - P 100	Higher the rental, higher the fair value
			Office yields	7% - 12%	Lower yield, higher the fair value

5.3 Intangible assets

Cost	**P**
Balance at 1 April 2015	2,741,796
Additions	555,175
Disposals	(3,267)
Balance at 31 March 2016	3,293,704
Balance at 31 March 2016	**3,293,704**
Additions	**652,227**
Balance at 31 March 2017	**3,945,931**
Accumulated amortisation	
Balance at 1 April 2015	2,741,796
Amortisation charge	30,553
Disposals	(3,267)
Balance as 31 March 2016	2,769,082
Balance as 31 March 2016	2,769,082
Amortisation charge	119,190
Balance as 31 March 2017	**2,888,272**
Carrying amount	
At 31 March 2016	524,622
At 31 March 2017	**1,057,659**

Intangible assets consists of computer software.

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5.4 Capital Grants

5.4 Capital grants	2017 P	2016 P
Balance at 1 April	**31,690,662**	30,945,660
Purchase of property, plant and equipment from Government subvention	**3,194,314**	1,933,372
Purchase of intangible assets from Governement subvention	**652,227**	555,175
Purchase of property, plant and equipment from BOTA project funds	**192,314**	**-**
Amortisation during the year	**(2,026,704)**	(1,743,545)
Balance at 31 March	**33,702,813**	31,690,662

Capital grants represent grants from the Government utilised for capital expenditure (Note 5.1 and 5.3).

The portion of the grants recognised as income during the year relates to the depreciation of property, plant and equipment which was funded by the capital grants.

5.5 Project funds	2017 P	2016 P
Balance at 1 April	**8,982,052**	8,982,052
Projects funds received during the year	**388,500**	-
Capital expenditure during the year	**(192,314)**	-
Revenue expenditure during the year	**(1,113,872)**	-
Transfer to Government Subvention	**(6,306,952)**	-
Balance at 31 March	**1,757,414**	8,982,052

In 2009 Government through the Ministry of Education and Skills Development set up a project team to establish the National Credit and Qualifications Framework. During the implementation period of the National Human Resource Strategy, the unit was transferred to the Human Resource Development Council formerly TEC with effect from October 2012 and subsequently to BQA effective 1st April 2014.

Funds received for both capital and non-capital projects are maintained in a call account. Interest earned on surplus funds is directly credited to the Authority in the statement of comprehensive income.

5.6 Employee benefit obligations	Leave pay P	Gratuity P	Total P
Balance at beginning of the year	2,144,542	7,407,926	**9,552,468**
Provisions for the year	2,000,202	10,774,902	**12,775,104**
Payments during the year	(421,824)	(1,204,184)	**(1,626,008)**
Gratuity advances	-	(146,000)	**(146,000)**
Balance at end of the year	**3,722,920**	**16,832,644**	**20,555,564**

5.6 Employee benefit obligations (continued)

Gratuity

Employees receive terminal gratuities in accordance with their contracts of employment. An accrual is made for the estimated liability towards such employees up to the end of reporting period. With effect from 1 April 2005 annual provisions for gratuity for officers of autonomous organisations funded by the Government are required to be placed in trust funds that cannot be spent on any other activity, including bridge financing. In order to comply with this requirement the Authority has opened a 32-day notice bank account with Stanbic Bank Botswana Limited for its staff gratuity accrual. The account has a balance of P 16,832,644 (2016: P 7,407,926).

Leave pay

Leave pay accrual represents annual leave accrued net of annual leave advanced to employees. The current portion of this liability includes all of the accrued annual leave. The entire amount of the provision of P 3,722,920 (2016 - P 2,144,542) is presented as current, since the Authority does not have an unconditional right to defer settlement of this obligations.

6.1 Accumulated	2017 P	2016 P
Balance 1 April	**11,313,868**	4,117,105
Comprehensive (deficit) / income for the year	**(3,604,644)**	7,196,767
Balance 31 March	**7,709,224**	11,313,872

6.2 Other reserves	Revaluation reserve P
At 1 April 2015	28,912,045
Revaluation - gross (Note 5.1)	5,195,121
At 31 March 2016	34,107,166
At 1 April 2016	34,107,166
Revaluation - gross (Note 5.1)	-
At 31 March 2017	**34,107,166**

The revaluation reserve arises as a result of revaluation of land and building.

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7 Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Authority's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in notes 1 to 6 together with information about the basis of calculation for each affected line item in the financial statements.

7.1 Significant estimates and judgements

The areas involving significant estimates or judgements are:

7.1.1 Estimation of fair values of land and buildings – Notes 5.1

Land and buildings are valued at least triennially as the assets do not experience significant and volatile changes in fair value, thus negating the necessity for annual revaluation.

The fair value of the Authority's land and buildings were determined by independent valuers based on following methods.

Land and buildings were revalued on 31 March 2016 by an independent valuer based on income approach. Please refer Note 5.2 for the valuation techniques used to determine the fair value of land and building.

7.1.2 Impairment provision on trade receivables – Note 4.1

A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

7 Critical accounting estimates and judgments (continued)

7.1.3 Residual value and useful lives of property, plant and equipment

The Authority follows the guidance of IAS 16 (revised) and determines the residual values and useful lives of assets at each reporting date. This determination requires significant judgement. In making this judgement management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the reporting date and the practice adopted by similar organisations.

Residual values are based on current estimates of the value of these assets at the end of their useful lives.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances

7.1.4 Useful lives of intangible assets

The Authority follows the guidance of IAS 38 and determines the useful lives of assets at each reporting date. This determination requires significant judgement. In making this judgement management evaluates amongst other factors, the purpose for which the respective asset is developed, market conditions at the reporting date and the practice adopted by similar organisations.

8 Financial risk management

This note explains the Authority's exposure to financial risks and how these risks could affect the Authority's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Assets/liabilities matched to the extent possible by holding assets earning variable rates of interest.
Liquidity risk	Cash and cash equivalents and trade receivables	Aging analysis Credit ratings	Diversification of bank deposits and credit limits.
Credit risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Authority's risk management is carried out by the Finance Department under policies approved by the Board of Directors. The board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

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8 Financial risk management (continued)

8.1 Market risk

(i) Cash flow and fair value interest rate risk

Financial instruments that are sensitive to interest rate risk are bank balances on call. The Authority invests excess cash resources in call deposit accounts which earn interest on a daily basis. Interest earned on the call deposit accounts is at market rates from commercial banks.

A 1% increase in interest rates would result in an increase in the surplus for the year of P 2,301 (2016: P 1,528), while a decrease in interest rates by a similar margin would result in equal and opposite effect on the surplus for the year. A 1% variation is considered the most likely movement in interest rates based on the past interest rates adjustments announced by the Bank of Botswana.

(i) Liquidity risk

The Authority's capital and operational expenditure is funded by the Government of Botswana in the form of revenue and capital grants. The Authority's substantial financial liabilities will be settled within three months after year end except for leave pay and gratuity accruals. Gratuity payments are funded from a 32-day notice bank account that has been set up as disclosed in Note 5.6.

(ii) Credit risk

The Authority does not engage in any material trading activities. Human Resource Development Fund contributions are the significant receivables. In this regard the credit risk associated with accounts receivable is not considered to be material to the financial statements.

Reputable financial institutions are used for investing and cash handling purposes. All money market instruments and cash equivalents are placed with financial institutions registered in Botswana. Banks in Botswana are not rated but each of the banks concerned are subsidiaries of major South African or United Kingdom registered financial institutions.

	2017 P	2016 P
Stanbic Bank Botswana Limited	**17,861,195**	207,430
First National Bank of Botswana Limited	**11,103,645**	30,621,198
	28,964,840	30,828,628

The Authority only deposit cash with major banks with high quality credit standing and limits exposure to any one counter-party. The Authority have deposits with Stanbic Bank Botswana and First National Bank of Botswana Limited. There are no credit ratings available in Botswana. The banks are listed companies and have reported sound financial results and continued compliance with minimum capital adequacy requirements. None of the financial assets that are fully performing have been re-negotiated during the year.

8 Financial risk management (continued)

Stanbic Bank Botswana Limited is a long established bank in Botswana and a subsidiary of Standard Bank of South Africa. Standard Bank of South Africa is listed on the Johannesburg Stock Exchange and has a credit rating of F2 for short term credits (Fitch rating).

First National Bank of Botswana Limited is listed on the Botswana Stock Exchange and is a subsidiary of FirstRand Bank Limited, a Authority listed on the Johannesburg Stock Exchange. Long-term credit rating assigned to the bank by Moody's is Baa2. Long-term credit rating assigned to the bank by Standard & Poor's is BB+ (strong capacity to meet its financial commitments). FirstRand Botswana's rating reflect the bank's strong market position as one of the big four banks in South Africa as well as its focused strategy, good core profitability, financial flexibility, robust risk management and sound capitalisation.

8.2 Impaired trade receivables

Receivables for which an impairment provision was recognised are written-off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within administration expenses. Subsequent recoveries of amounts previously written off are credited against administration expenses.

The ageing of these impaired trade receivables is as follows:

	2017 P	2016 P
Over 120 days	**105,920**	-

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2017 P	2016 P
At 1 April	**-**	-
Charge during the year	**105,920**	-
At 31 March	**105, 920**	-

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8 Financial risk management (continued)

8.2 Impaired trade receivables

Past due but not impaired

As at 31 March 2017, trade receivables of P 93,343 (2016: P 1,030,386) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017 P	2016 P
Between 31 to 60 days	**46,193**	-
Over 120 days	**47,150**	1,030,386
	93,343	1,030,386

The other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Authority does not hold any collateral in relation to these receivables.

8.3 Liquidity risk

Surplus cash is invested in interest bearing call accounts amd time deposits. At the reporting date, the Authority held liquid assets of P 28,966,042 (2016: P 30,828,777) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Authority's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2017

Liabilities	Less than six months P	Between six and 12 months P	More than one year P	Total P
Trade and other payable	3,674,321	-	-	**3,674,321**
Total	**3,674,321**	-	-	**3,674,321**

As at 31 March 2016

Liabilities	Less than six months P	Between six and 12 months P	More than one year P	Total P
Trade and other payable	7,492,245	-	-	7,492,243
Total	7,492,245			7,492,243

8 Financial risk management (continued)

8.4 Capital risk management

There was no active capital risk management process in place primarily because the Authority was established under the Botswana Qualifications Authority Act No. 24 of 2013. Under this Act, the Government provides grants for both capital and operational expenditure based on detailed budgets submitted by the Board of Directors. The capital of the Authority comprises accumulated funds as disclosed in the statement of changes in funds.

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9 Contingent liabilities

Staff car loan scheme

The Authority has guaranteed WesBank, a division of First National Bank of Botswana Limited, to a maximum of 80% of the total exposure, in respect of loans given to its staff members under the staff car loan scheme.

Staff house loan scheme

The Authority has guaranteed staff home loans from Botswana Building Society, the liability of the Authority is the portion of the loan which is above 90% of the Society's market valuation of the property at any given time.

10 Commitments

There were no capital expenditure contracted for at the statement of financial position date but not yet incurred.

11 Events after reporting period

There were no events that occurred after the reporting date which would require adjustments to or disclosures in the financial statements

12 Related party transactions and balance

a. Ministry of Tertiary Education Research Science and Technology (Ministry) - The Authority is a parastatal under the Ministry.

	2017 P	2016 P
Subvention received from the Goverment (Note 1)	**37,795,300**	39,166,110

b. Human Resource Development Fund (HRDF)

The Authority receives contribution from the HRDF to support quality assurance activities at 10% of the collections. The Fund is administered by the Human Resource Development Council on behalf of the Ministry.

	2017 P	2016 P
10% contribution	**28,106,842**	28,228,475

12 Related party transactions and balance (continued)

b. Human Resource Development Fund (HRDF)

	2017 P	2016 P
Receivable	**6,517,659**	7,134,910

c. Key Management personnel Expenditure

	2017 P	2016 P
Remuneration	**6,169,242**	6,383,754
Benefits Accruals:		
Leave Pay Accrual	**484,625**	347,661
Gratuity Accrual	**2,191,722**	1,315,984
	2,676,347	1,663,645

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13 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

13.1 Basis of Preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on Management's best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

(i) Adoption of standards in the current financial year

New and amended standards adopted by the Authority

The following new standards, amendments and interpretations to existing standards have been adopted for the Authority's accounting periods beginning on or after 1 January 2016.

• Amendments to IAS 1,'Presentation of financial statements' disclosure initiative - In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies (effective 1 January 2016).

• Amendment to IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation - In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset (effective 1 January 2016).

13.1 Basis of Preparation

(i) Adoption of standards in the current financial year (continued)

New and amended standards applicable to the current period but not relevant to the Authority

Management assessed the relevance of the following amendments and interpretations with respect to the Authority's operations and concluded that they are not relevant to the Authority.

• Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on applying the consolidation exemption - The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries (effective from 1 January 2016).

• Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation - This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions (effective from 1 January 2016).

• IFRS 14 – Regulatory deferral accounts - The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts').

Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body (effective from 1 January 2016).

• Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants - In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant include examples of non-bearer plants and remove current examples of bearer plants from IAS 41 (effective from 1 January 2016).

• Amendments to IAS 27, 'Separate financial statements' on equity accounting - In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective from 1 January 2016).

• Amendment to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' - This is an amendment to the changes in methods of disposal – Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS5.

The amendment also clarifies that changing the disposal method does not change the date of classification (effective from 1 January 2016).

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13.1 Basis of preparation (continued)

(i) Adoption of standards in the current financial year (continued)

New and amended standards applicable to the current period but not relevant to the Authority (continued)

Amendment to IFRS 7 – 'Financial Instruments: Disclosures' - Applicability of the offsetting disclosures to condensed interim financial statements.

- The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose '[...] an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report (effective from 1 January 2016).

- Amendment to IFRS 7 – 'Financial Instruments: Disclosures' - Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required (effective from 1 January 2016).

- Amendment to IAS 19 – 'Employee Benefits' - Discount rate: regional market issue - The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used (effective from 1 January 2016).

- Amendment to IAS 34 – 'Interim Financial Reporting' - Disclosure of information 'elsewhere in the interim financial report'

  The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

  The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete (effective from 1 January 2016).

13.1 Basis of preparation (continued)

(ii) Adoption of standards in future financial periods

New standards, amendments and interpretations which are relevant to the Authority's operations

The following new standards, amendments and interpretations to existing standards are relevant for the Authority's accounting periods beginning after 1 January 2016. These have not been early adopted by the Authority.

- Amendment to IAS 7 – Cash flow statements - In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities (effective from 1 January 2017).

- The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.

- IFRS 15 – Revenue from contracts with customers- The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer (effective from 1 January 2018).

- IFRS 9 – Financial Instruments (2009 & 2010)
  * Financial liabilities
  * Derecognition of financial instruments
  * Financial assets
  * General hedge accounting

This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss (effective 1 January 2018).

Management is currently assessing the impact of the application of these new standards, amendments and interpretations on the Authority's financial statements in the period of initial application. At this time, the adoption of these standards and interpretations is only expected to have an impact on the classification and disclosure of items in the Authority's financial statements.

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13.1 Basis of preparation (continued)

(ii) Adoption of standards in future financial periods (continued)

New standards, amendments and interpretations which are not relevant to the Authority's operations

- Management assessed the relevance of the following new amendments and improvements with respect to the Authority's operations and concluded that they are not relevant to the Authority:
- Amendment to IAS 12 – Income taxes - Recognition of deferred tax assets for unrealised losses - The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets.
- The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets (effective 1 January 2017).
- Amendments to IFRS 2 – 'Share-based payments' - This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority (effective from 1 January 2018).
- Amendment to IFRS 9 -'Financial instruments', - on general hedge accounting - The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39 (effective 1 January 2018).
- IFRS 16 – Leases - This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular.
- Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.
- For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.
- At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

13.1 Basis of preparation (continued)

(ii) Adoption of standards in future financial periods (continued)

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' (effective from 1 January 2018).

- IFRS 4, 'Insurance contracts' - Regarding the implementation of IFRS 9, 'Financial instruments' - These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:

- Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and

- Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39.

- IAS 40, 'Investment property' - Transfers of investment property - These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence (effective from 1 January 2018).

- IFRS 1,' First-time adoption of IFRS', regarding the deletion of short term exemptions for firsttime adopters regarding IFRS 7, IAS 19, and IFRS 10 effective 1 January 2018.

- IFRS 12,'Disclosure of interests in other entities' regarding clarification of the scope of the standard. The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of IFRS 12). Previously, it was unclear whether all other IFRS 12 requirements were applicable for these interests. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017.

- IAS 28,'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value. IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition. Effective 1 January 2018.

- IFRIC 22, 'Foreign currency transactions and advance consideration - This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice (effective 1 January 2018).

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13.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the Authority's functional and the presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Such monetary assets and liabilities are translated at the exchange rates prevailing at the year end.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance income or cost". All other foreign exchange gains and losses are presented in profit or loss within cost of sales.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

13.3 Revenue recognition

(i) Government subvention and grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received and Authority has complied with all attached conditions.

Capital grants are recognised in the statement of financial position on receipt as deferred income and are released to the statement of comprehensive income on a basis matching with the depreciation charge on the assets purchased using the grant.

(ii) Interest income

Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield on the asset.

(iii) Sale of services

Registration, accreditation and audit fees comprises of fees payable by institutions, trainers and assessors. These fees are recognised on accrual basis.

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13.4 Impairment of non-financial assets

Non-financial assets are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period date.

As a minimum, Management considers the existence of the following external and internal indicators at the end of each reporting period date which individually or collectively may indicate impairment on non-financial assets.

External sources of information

- An unexpected significant decline in market value of an asset.
- A significant change in the technological, market, economic or legal environment within which the Authority operates or in the market to which an asset has been dedicated, that adversely affects the Authority.
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- The carrying amount of the net assets of the Authority is more than its market capitalisation.

Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the Authority have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used.

Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

13.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

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13.6 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of operation. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

13.7 Investments and other financial assets

(i) Classification

The Authority classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss, and
- loan and receivables

The classification depends on the purpose for which the financial assets were acquired.
Management determines the classification of its financial assets at initial recognition.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Authority commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Authority measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iv) Impairment

The Authority assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

13.7 Investments and other financial assets (continued)

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Authority may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

Impairment testing of trade receivables is described in Note 8.2.

(v) Income recognition

Interest income is recognised using the effective intrerest method.

13.8 Property, plant and equipment

The Authority's accounting policy for land and buildings, plant and machinery, motor vehicles, furniture & fittings, office equipment, computer equipment, computer software and library books is explained in Note 5.1. All other assets is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increase in the carrying amount arising on revaluation of land and buildings is credited to other comprehensive income and shown as revaluation reserve in statement of changes in equity. Decreases that off-set previous increases of the same assets are charged against revaluation reserve; all other decreases are charged to profit or loss. The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

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13.8 Property, plant and equipment (continued)

The depreciation methods and periods used by the Authority are disclosed in note 5.1.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Authority policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

13.9 Intangible assets

Computer Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Authority are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;

- management intends to complete the software product and use or sell it;

- it can be demonstrated how the software product will generate probable future economic benefits:

- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

- the expenditure attributable to the software products during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employees costs and an appropriate portion of relevant overheads.

Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

13.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Authority prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

13.11 Project funds and capital grants

Capital grants comprise grants received from the Government of the Republic of Botswana (Government) and other donors to finance major capital projects. Funds received are initially credited to projects funds. Expenditure incurred on the capital projects is capitalised and an equivalent amount is transferred to capital grants. Expenditure incurred on the non-capital projects are charged to the statement of comprehensive income.

All other capital and non-capital expenditure are financed through the annual subvention from the Government. Assets acquired from the subvention are capitalised and an equivalent amount is transferred to capital grants.

An amount equal to the depreciation charge of property, plant and equipment funded by the capital grants is recognised as income in the statement of comprehensive income. Subsequent movement of property, plant and equipment in terms of sale and impairment are treated accordingly in the capital grants.

13.12 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the effect of discounting to present value is material, provisions are adjusted to reflect time value of money.

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13.13 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Employees of the Authority are on contract and are eligible for gratuity at the rate of 30% (2016: 30%) of basic pay at the end of the contract. Provision for terminal payments have been made in these financial statements. Employee entitlement to annual leave and contractual gratuity are recognised when they accrue to employees as a result of services rendered by employees up to the statement of financial position date.

13.14 Related parties

Related parties are defined as those parties:

(a) directly, or indirectly through one or more intermediaries, the party that:
(i) controls, is controlled by, or is under common control with, the entity;
(ii) has an interest in the entity that gives it significant influence over the entity; or
(b) that are members of the key management personnel of the entity or its parent including close members of the family.

All dealings with related parties are transacted on an arm's length basis and accordingly included in profit or loss for the year.

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DETAILED INCOME STATEMENT

	2017 P	2016 P
Revenue		
Government subvention	**41,369,583**	36,677,565
Human Resource Development Fund contributions	**28,106,842**	28,228,475
Registration fees	**3,616,084**	5,665,140
Amortisation of deferred capital grants	**2,026,704**	1,743,545
	75,119,213	72,314,725
Other income		
Conference registration fees	**-**	76,880
Miscellaneous	**472,225**	770,577
	472,225	847,457
Total income	**75,591,438**	73,162,182
Expenditure		
	2,766,167	2,061,522
Advertising and promotion	**119,190**	30,553
Amortisation charge	**333,289**	259,392
Audit fees - external	**5,702**	14,619
- internal	**109,920**	-
Bad debts	**49,327**	54,956
Bank charges	**431,309**	699,636
Board fees and expenses	**3,366,823**	2,298,000
Computer expenses	**2,189,370**	2,363,316
Depreciation of property, plant and equipment	**14,228**	8,007
Entertainment expenses	**414,809**	345,631
Examination and allied expenses	**52,097**	65,587
Gardening services	**1,087,401**	884,213
Insurance	**108,985**	52,606
Legal fees	**116,271**	8,787
Library books and materials	**2,524,156**	1,243,971
Maintenance and running costs	**352,776**	229,030
Motor vehicle expenses	**138,380**	237,888
Office cleaning	**46,371**	44,236
Postage and courier	**1,446,420**	892,778
Printing and stationery	**8,913**	5,094
Protective clothing	**-**	14,151
Rates	**4,957,128**	4,363,573
Research and consultation	**389,675**	318,282
Security	**54,111,998**	45,447,840
Staff costs	**55,476**	62,141
Subscriptions	**404,801**	419,428
Telephone and fax	**1,410,519**	1,438,698
Travelling and accommodation	**638,132**	650,696
Water and electricity	**1,776,624**	1,603,648
Workshops and conferences	**79,426,257**	66,118,279
	(3,834,819)	**7,043,903**
Operating (deficit) / surplus for the year		

This detailed income statement does not form part of the financial statements covered by the audit opinion on pages 44 to 46.

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