



BOTSWANA
Qualifications Authority
ANNUAL REPORT
2014/15

• GENERAL EDUCATION • TECHNICAL VOCATIONAL EDUCATION AND TRAINING • HIGHER EDUCATION

VISION

The Botswana Qualifications Authority (BQA) will be a trusted cutting edge leader of a globally competitive qualifications system.

MISSION

BQA enables all stakeholders to offer internationally recognised education and training for the benefit of all learners' ambitions in life and career and society.

VALUES

- Quality
- Trustworthiness
- Transparency
- Credibility
- Progressiveness
- Vigilance

TAGLINE

"Building a Seamless Education and Training System"



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1.0 PROFILE OF BQA

The Botswana Qualifications Authority (BQA) is a parastatal organisation under the Ministry of Education and Skills Development 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 Board of Directors chaired by an independent person.

An interim Board of Directors was established to oversee the transition. There are six committees that deal with specific functions established to facilitate the work of the Board.

These are the Human Resources Committee (HRC); the Finance and Audit Committee (FAC); the Tender Committee (TC); the Quality Assurance Committee (QAC); the Standards Setting Committee (SSC) and the Academic Planning and Development Committee (APDC).

To ensure efficiency in the execution of its mandate, the BQA structure has seven departments.

These are: the Directorate of the Chief Executive Officer; the Department of the Deputy Chief Executive Officer, the Department of Corporate Services; the Department of Development Services; the Department of Quality Assurance; the Department of the NCQF Services and the Department of Human Resource.

Though not part of the overall and permanent structure of the organisation, the Authority also established an Establishment Project Team to ensure a smooth transition from Botswana Training Authority to BQA.

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 as 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 1 April of each year and ends on 31 March of the following year.



An interim Board of Directors was established to oversee the transition. There are six committees that deal with specific functions established to facilitate the work of the Board.

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



2.0 BOARD OF DIRECTORS



Mr Charles Siwawa	01
Acting Chairperson	
Mr Sanga Namoshe	02
Mr Odirile B Gabasiane	03
Mr Boago Kotlhao	04
Mr Victor Rantshabeng	05
Mr Simon K Kgaoganang	06
Dr Patrick D Molutsi	07
Dr Never Tshabang	08
Mrs Masego B Marobela	09
Mrs M.G Nthomiwa	10
Mr Simon Coles	11
Mr Frank G Tatton	12
Mr Gadzani I Mhotsha	13
Ms Mosadi Ramotshabi	14
Mrs Anicia Mbanga	15
Mr Mmetla Masire	16
Mr Barulaganye Mogotsi	17
By special invitation	
Prof Esther Seloilwe	18
Dr Tachitonga Nhundu	19

3.0 BOARD COMMITTEES



01



02



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Mr S. Namoshe
Chairperson-Finance & Audit Committee

Mr. F.G. Tatton
Chairperson-Tender Committee

Mr. O.B. Gabasiane
Chairperson-Human Resource Development
Committee

Ms. H. Mogami
Acting Chairperson-Quality Assurance Committee

Dr Tachitonga Nhundu
Chairperson- Academic Planning and
Development Committee

Ms. M.B. Marobela
Chairperson-Standard Setting Committee

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4.0 INTERIM BOARD AND ITS COMMITTEES MEETINGS AND ATTENDANCE

Attendance of board meetings and those of its committees is core to corporate governance. It demonstrates the commitment and accountability of members to the organisation.

The six tables below record the attendance of statutory meetings of the Board and its committees in 2014/15. Most members of the Board and committees were able to attend at least 50 per cent of scheduled meetings.

The attendance of Board meetings was high compared to attendance at committees level. In addition to regular meetings, eight special Board meetings were held to attend to issues of the transition.

Table 1: Board committee attendance

Name of Board Member		Board Meetings				
		June	Sep	Dec	Mar	TOTAL
1.	Mr. Charles Siwawa	P	P	P	P	4/4
2.	Mr. Sanga Namoshe	A	A	P	A	1/4
3.	Mr. Odirile B Gabasiane	A	P	P	P	3/4
4.	Mr. Boago M. Kotlhao	P	A	P	A	2/4
5.	Mr. Victor Rantshabeng	A	A	A	A	0/4
6.	Mr. Simon K Kgaoganang	P	P	P	P	4/4
7.	Dr. Patrick D Molutsi	A	A	A	P	1/4
8.	Dr. Never Tshabang	P	A	P	P	3/4
9.	Ms. Masego B Marobela	P	P	P	P	4/4
10.	Ms. Mosadinyana G Nthomiwa	A	A	A	P	1/4
11.	Mr. Simon Coles	NM	P	A	P	2/4

12.	Mr. Frank G Tatton	P	P	P	P	4/4
13.	Mr. Gadzani I Mhotsha	A	P	A	P	2/4
14.	Ms. Mosadi Ramotshabi	A	A	A	P	1/4
15.	Ms. Anicia T. Mbanga	P	P	P	P	4/4
16.	Mr. Mmetla Masire	P	A	P	A	2/4
17.	Mr. Barulaganye J. Mogotsi	A	A	P	P	2/4
18.	*Dr. Tichatonga J. Nhundu	P	A	A	P	2/4
19.	*Prof. Esther S. Seloilwe	A	P	P	P	3/4

*The members were co-opted to represent Committees that were transferred from the Human Resource Development Council.

P- Present A- Apologies NM - Non member

Table 2. Finance and Audit Committee Attendance

Name of Board Member		Committee Meetings			
		May	Sep	Dec	TOTAL
1.	Mr. Sanga Namoshe	P	P	P	3/3
2.	Mrs. Mosadinyana Nthomiwa	A	P	A	1/3
3.	Ms. Blessed Davids	P	P	P	3/3
4.	Mr. Mogotsa Kewagamang	P	NM	NM	1/3
5.	Mr. Frank G Tatton	P	P	P	3/3
6.	Mr Simon Coles	NM	A	A	0/3

4.0 INTERIM BOARD AND ITS COMMITTEES MEETINGS AND ATTENDANCE *(Cont)*

Table 3. Quality Assurance Committee Attendance

Name of Board Member		Committee Meetings				
		Jun	Sep	Nov	Mar	TOTAL
1.	Mr. Charles Siwawa	P	NM	NM	NM	1 /4
2.	Mr. Ravi Srinivasan	P	A	A	A	1/4
3.	Mr. Malebogo P Ramaologa	P	P	A	A	2/4
4.	Mrs. Hermetina Mogami	P	P	A	P	3/4
5.	Mrs. Oarabile Akoonyatse	A	P	P	P	3/4
6.	Mr. Gofamodimo Kalaote	A	A	P	A	1/4
7.	Mrs. Orefithetse Masire	A	A	A	P	1/4
8.	Mr. Modiri J Mogopa	P	P	P	P	4/4
9.	Mr. Godfrey Ratlhaga	NM	NM	P	P	2/4
10.	Ms. Victoria Damane	NM	NM	P	P	2/4

P- Present A – Apologies NM – Non member

Mr. Charles Siwawa ceased to be a member of this committee after being appointed interim Board Chairperson.

Table 4. Standard Setting Committee Attendance

Name of Board Member		Committee Meetings				
		Jun	Sep	Nov	Mar	TOTAL
1.	Mrs. Masego Marobela	P	A	A	A	1/4
2.	Mr. Peter Mosesanyane	A	P	P	P	3/4
3.	Mr. Mushir Ahmad	P	A	P	P	3/4
4.	Mr. Edwin Ramothwa	A	A	A	A	0/4
5.	Mr. Vincent Mokalake	P	P	P	A	3/4

6.	Mrs. Boingotlo Mpofu	A	A	A	A	0/4
7.	Mrs. Mosadi Ramotshabi	P	A	A	P	2/4
8.	Ms. Agnes Setlhogile	P	A	A	A	1/4
9.	Mr. Paul Bante	P	P	A	A	2/4
10.	Mr. Tshoganetso Rantshilo	A	A	P	P	2/4
11.	Dr Oagile Kanyeto	P	P	A	P	3/4
12.	Mrs. Gaokgakala Chikohora	P	A	A	A	1/4

P- Present A – Apologies

Table 5. Human Resource Committee Attendance

Name of Board Member		Committee Meetings			
		Jun	Sept	Dec	TOTAL
1.	Mr. Odirile Gabasiane	P	P	P	3/3
2.	Mr. Simon Kgaoganang	P	A	P	2/3
3.	Dr Patrick D Molutsi	P	P	P	3/3
4.	Mr. Victor Rantshabeng	A	A	A	0/3
5.	Mrs. Masego B Marobela	A	P	P	2/3
6.	Mr. Boago Kotlhao	P	A	A	1/3
7.	Mr. Barulaganye J Mogotsi	NM	P	P	2/3

P- Present A- Apologies NM- Non -member

There were 2 Special Human Resource Committee meetings that members attended.

4.0 INTERIM BOARD AND ITS COMMITTEES MEETINGS AND ATTENDANCE *(Cont)*

Table 6: Tender Committee Attendance

Name of Board Member		Committee Meetings	
		Oct	Sep
1.	Frank G Tatton	P	1/1
2.	Mr. Mmetla Masire	P	1/1
3.	Mr. Gaolebe Lekula	NM	0/1
4.	Dr Never Tshabang	A	0/1
5.	Mr. Gadzani Mhotsha	P	1/1

P- Present A- Apologies NM - Non member

Table 7: Academic Planning and Development Committee Attendance

Name of Board Member		Academic Planning and Development Committee				
		Jun	Sep	Nov	Mar	TOTAL
1.	Dr Tichatonga J. Nhundu	P	P	P	P	4/4
2.	Prof. Esther S. Seloilwe	A	A	A	P	1/4
3.	Ms. Chedza Marobela	P	A	P	A	2/4
4.	Dr. Ricks G. Chabo	P	P	A	P	3/4
5.	Mr. Odirile Gabasiane	P	A	P	P	3/4
6.	Ms. Victoria Damane	-	P	-	P	2/4

P- Present A- Apologies NM - Non member



5.0 BQA MANAGEMENT



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Mr. A. Modungwa
Acting Chief Executive Officer

01

Mrs. S.A Jobe
Director: Quality Assurance

02

Mrs S. Chimbombi
Acting Director: Standards
Development

03

Mrs. M. T. Motswagole
Director: Finance

04

Mr. J. Maluzo
Director: Human Resource &
Administration

05

Dr. F. O'mara
Director-Quality Assurance and
Regulations

06

Dr. A. Molwane
Manager-BQA Establishment Project

07

Mrs. S. Pilatwe-Koppenhaver
Communications & Customer Services Manager

08

Mrs L. Masala
Internal Quality Assurance Manager

09

6.0 BOARD CHAIRPERSON'S STATEMENT

It is my pleasure to present to you the Botswana Qualifications Authority Annual Report for the 2014/15 financial year. It is the second report for the Authority since the rationalisation of the quality assurance system and transitioning of functions from Botswana Training Authority (BOTA) and other agencies to Botswana Qualifications Authority (BQA).

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 the overarching National Credit and Qualifications Framework (NCQF), and coordinate a common quality assurance platform for education, training and skills development system for all qualifications.

This is geared towards developing, implementing and coordinating a seamless quality education and training system. The main goal of the reforms is to produce a human resource that is robust and competent to meet the needs of both local and international markets. Appropriate transitional arrangements were put in place to ensure BQA business continuity and its establishment. It is worth noting that a substantive Board of Directors had not yet been appointed during the year under review. However, an interim Board was continued from BOTA to drive the transition.

During the year, BQA made significant progress in the development of its legislative instruments. BQA has submitted a request for drafting of Regulations to the Attorney General Chambers.

I would like to express my special appreciation to the Ministry of Education and Skills Development, the Interim Board of Directors, stakeholders, BQA Management and staff for the support during the transitional period.



Charles Siwawa
Acting Board Chairperson



7.0 CHIEF EXECUTIVE OFFICER'S STATEMENT

This was another challenging yet fulfilling year for the Authority. During the year under review significant progress was made in developing internal instruments, policies and systems. The new organizational structure, General Staff Conditions of Service, procurement procedures, financial regulations and others were developed to ensure smooth operations of the Authority.

During the 2014/15 financial year, BQA committed itself to the implementation of the following initiatives and processes:

- ensuring business continuity during the transition period
- developing support systems and tools
- Staff recruitment
- Staff capacity building
- Stakeholder engagement
- Development of a culture of a High Performing Organisation

I am happy to report that most of these were achieved.

The Authority was able to continue providing services in the following areas of its core business; registration and accreditation of institutions, trainers, assessors, learning programmes, development of national awards, development of assessments guides, registration of learners and all other components of quality assurance and development services. Over all, the Authority experienced growth and was able to accomplish most of the set targets.

In addition, BQA achieved full takeover of quality assurance of the two sub-systems of Technical and Vocational Education and Training (TVET) and Higher Education (HE). Work on the takeover of General Education sub-system commenced with consultations involving the relevant stakeholders.

These consultations are expected to be completed in the next financial year. This year had its own challenges. I am, however, happy to report that mitigating strategies were put in place and have proved to be effective.

BQA will continue to consult and engage stakeholders in the finalisation of regulations, policies, procedures and processes to ensure availability of 'fit for purpose' quality assurance system. Finally, I wish to thank the Chairperson and 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
Acting Chief Executive Officer





THE MAIN GOAL OF THE REFORMS IS TO PRODUCE A HUMAN RESOURCE THAT IS ROBUST AND COMPETENT TO MEET THE NEEDS OF BOTH LOCAL AND INTERNATIONAL MARKETS.

8.0 ACHIEVEMENTS

During the year under review, notable achievements were realized in the following areas of operation:

- a) Development and registration of training unit standards and qualifications
- b) Access and equity for learners.
- c) Relevance of learning programmes to the needs of industry
- d) Quality assurance of education and training
- e) Stakeholder engagement.
- f) Staff retention and development
- g) Change management

8.1 ANNUAL PERFORMANCE FOR 2014/15

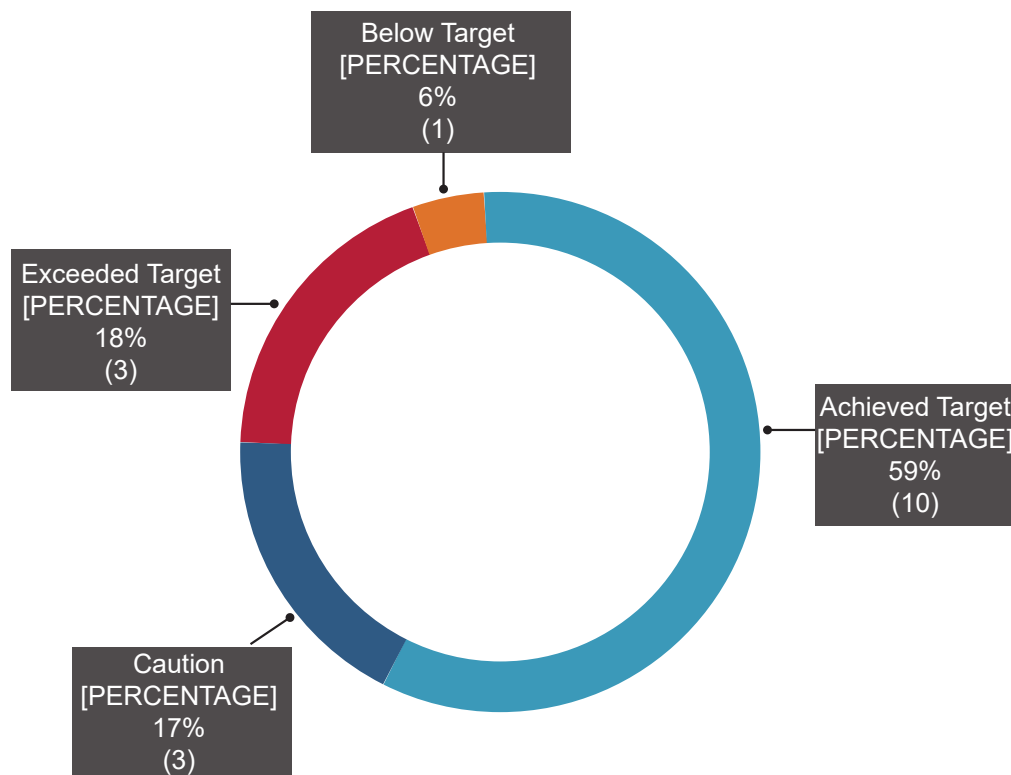
The 2014/15 annual performance was measured against 17 Strategic Plan objectives aligned to the four perspectives of the Balanced Scorecard; customer focus, internal perspective, learning and growth and financial perspectives.

The target to develop 12 NCQF policies was not met due to delays in finalisation of BQA regulations.

Three other objectives were barely met; customer satisfaction and internal IT systems availability due to transitional arrangements and the incomplete internal capacity building strategy for NCQF implementation.

The Authority prioritized attainment of these objectives.

Figure 1: A summary of the annual performance



8.2 DEVELOPMENT SERVICES

The Authority coordinates the development of awards which include training unit standards, qualifications and assessment guides. In addition, it builds capacity for the education and training providers to facilitate their ability to implement the awards.

8.2.1 REGISTRATION AND REVIEW OF UNIT STANDARDS

A total of 790 new unit standards, against a set target of 300, were registered and in addition 36 were reviewed. Table 8 presents the sub fields in which these were developed. Most of the development was in the areas of agriculture, mining and their enabling sectors.

Table 8: Registered unit standards

Name of Subfield	Number of Unit standards
Automotive Trades	83
Beauty Therapy	5
Building Construction	20
Electrical Trades	136
Heavy Plant	37
HIV & AIDS and Counselling	4
Horticulture	118
Piggery	36
Power Plant Generation	60
Print and Graphic Arts	49
Process Plant Operator	3
Railway Signaling	47
Rainfed crop farming	110
Refrigeration and Air conditioning	42
Visual Arts , Crafts and Traditional Skills	40
Total	790

Table 9: Reviewed Unit standards

Name of Subfield	Number of Unit Standards Reviewed
Automotive Trades	6
Electrical Trades	2
Heavy Plant	26
Rainfed Crop Farming	1
Refrigeration and Air conditioning	1
Total	36





BQA ACHIEVED FULL TAKEOVER OF QUALITY ASSURANCE OF THE TWO SUB-SYSTEMS OF TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) AND HIGHER EDUCATION (HE).

8.2.2 REGISTRATION OF QUALIFICATIONS

A total of 87 qualifications, against a target of 40, were registered during the reporting period. Tables 10-16 shows the registered qualifications by field, sub-field and level.

Table 10: Registered qualifications for Agriculture and Nature Conservation Field by sub-field and level

Qualification by sub-field	Level 1	Level 2	Level 3
Subfield: Horticulture			
1. Arboriculture		√	√
2. Floriculture		√	√
3. Floristry		√	√
4. Horticulture	√	√	√
5. Landscaping	√	√	√
6. Olericulture			√
7. Pomology			√
Subfield: Piggery			
1. Pig Farming (Labourer)	√		
2. Pig Farming (Supervision)		√	
3. Pig Farming (Farm Management)			√
Subfield: Rainfed Crops Farming			
1. Rain-Fed Crops Farming	√	√	√
2. Rain-Fed Crops Production			√
3. Rain-Fed Crops Protection			√
Total	4	7	11

Table 11: Registered qualifications for business and commerce field by sub-field and level

Qualification by sub-field	Level 1	Level 2	Level 3
Subfield: Human Resources Management			
1. Employee Relations	√	√	√
2. Human Resource Management	√	√	√
Total	2	2	2

Table 12: Registered qualifications for culture, arts and crafts field by sub-field and level

Qualification by sub-field	Level 1	Level 2	Level 3
Subfield: Creative Arts			
1. Jewelry Making	√		
2. Jewelry Production		√	√
3. Paper Craft	√		
4. Paper Craft Production		√	
5. Paper Craft Management			√
6. Sculpture	√	√	√
Subfield: Traditional Song and Dance			
1. Traditional Song and Dance			√
2. Traditional Song and Dance - Choreography			√
3. Traditional Song and Dance - Composition			√
4. Traditional Song and Dance - Adjudication			√
5. Traditional Song and Dance - Production Management			√
6. Traditional Song and Dance – Lead Singing			√
Total	3	3	9

8.2.2 REGISTRATION OF QUALIFICATIONS (Cont)

Table 13: Registered qualifications for engineering and manufacturing field by sub-field and level

Qualification by sub-field	Level 1	Level 2	Level 3
Subfield: Automotive Trades			
1. Automotive Trades	√		
Subfield: Electrical Trades			
1. Control and Instrumentation	√	√	√
2. Electrical Installations and Maintenance	√	√	√
3. Electronics			√
4. Photovoltaics	√	√	√
Subfield: Printing			
1. Printing	√	√	√
Subfield: Process Plant Operation			
1. Process Plant Operation			√
Subfield: Railway Signaling			
1. Railway Signaling and Telecommunication	√	√	√
Subfield: Refrigeration and Air Conditioning			
1. Refrigeration and Air Conditioning	√	√	√
Total	7	6	8

Table 14: Registered qualifications health and social services field by sub-field and level

Qualification by sub-field	Level 1	Level 2	Level 3
Subfield: HIV & AIDS and Counselling			
1. HIV & AIDS Management	√	√	√
2. HIV & AIDS and Counselling			√
3. HIV & AIDS, Health and Wellness Coordination			√
Total	1	1	3

Table 15: Registered qualifications for planning and construction field by sub-field and level

Qualification by sub-field	Level 1	Level 2	Level 3
Subfield: Building and Construction			
1. Solar Water Heating	√	√	√
Total	1	1	1

Table 16: Registered qualifications for services field by sub-field and level

Qualification by sub-field	Level 1	Level 2	Level 3
Subfield: Beauty Therapy			
1. Beauty Therapy	√	√	√
2. Massage Therapy			√
3. Nail Care		√	
4. Nail Technology			√
Subfield: Hairdressing			
1. Barbering			√
2. Hairdressing (Chemical Services)			√
3. Hairdressing	√	√	√
4. Hairdressing (Salon Management)			√
5. Hairstyling			√
6. Hair Extensions			√
7. Hair Locking			√
Total	2	3	10

8.2.3 DEVELOPMENT OF ASSESSMENT GUIDES

Assessment is one of the processes embedded in quality assurance processes and procedures which measures content and level of performance in learning that has already taken place.

Assessment processes ensure validity, fairness, reliability and relevance in identifying and recognising candidates' skills, knowledge and competency in a learning environment.

The Authority recognises and validates competencies for purposes of certification.

The Authority coordinates the development of candidate assessment materials (guides) for qualifications that are registered in the National Credit and Qualifications Framework (NCQF).

Assessment guides outline activities that can be used to generate evidence of achievement against a learning outcome. This activity was suspended during the reporting period due to resource constraints.

However, eight assessment guides for the Technology, Textile and Design qualifications started in the previous year were completed.

8.2.4 RECOGNITION OF PRIOR LEARNING

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 outcome-based education system where a learner accumulates credits through formal, informal and non-formal learning. Candidates who are unsuccessful during the assessments are assisted to close the identified gaps.

The Authority coordinated the assessments of 2368 candidates in different subfields in 2014/15 as detailed in Table 17.

Table 17: Summary of Recognition of Prior Learning Assessments

Name of Subfield	Number of candidates assessed	Number of successful candidates
Traditional Basket Weaving	458	458
Traditional Pottery and Ceramics	75	75
Traditional Song and Dance	164	164
Leather Crafts	7	7
Tourism Nature Guiding	1652	240
Pottery and Ceramics	12	12
Total	2368	956

The low performance in the Tourism Nature Guiding was because most candidates lacked capacity in compiling evidence against the standard.

The partnership between BQA and the Department of Wildlife and National Parks for skills development for Tourism will assist improve the success rate in the tourism nature guiding sub-field. The partnership involved the development of qualifications and assessment of candidates.

8.2.5 PROVISION OF CURRICULUM DEVELOPMENT SERVICES

The Authority builds capacity of the education and training providers to develop programmes that meet the set minimum quality training unit standards. Institutions are encouraged to be creative and add on to these to enhance the quality of teaching and learning. During the year, a total of 27 institutions were supported in developing curriculum as shown in Table 18.

Number of Institutions Supported		Number of programmes
Quarter 1	8	20
Quarter 2	4	4
Quarter 3	6	15
Quarter 4	9	27
Total	27	66

8.3 DEVELOPMENT OF THE NATIONAL CREDIT AND QUALIFICATIONS FRAMEWORK

The Botswana National Credit and Qualifications Framework, commonly known as NCQF, is an instrument for the classification of qualifications according to a set of criteria for specified levels of learning achieved.

The design and development of the NCQF architecture entails the development of level descriptors and the national credit system.

The successful completion of these two components will lead to systemic articulation of the three education and training sub-systems (General Education- GE, Technical and Vocational Education and Training - TVET and Higher Education - HE).

8.3.1 THE DEVELOPMENT OF A COMMON QUALITY ASSURANCE PLATFORM

Through the Framework (NCQF), all learning programmes and qualifications will be quality-assured.

The key components of the common quality assurance platform include registration and accreditation of educational and training providers, assessors and moderators and learning programmes across the three sub-systems of education and training.

The four sets of regulations submitted to the Attorney General's Chambers for drafting are:

- (a) Regulations for registration and accreditation of education and training providers for 2014
- (b) Regulations for accreditation of learning programmes for 2014
- (c) Regulations for qualifications on the national credit and qualifications framework for 2014

- (d) Regulations for registration and accreditation of teachers, assessors and moderators for 2014 records management challenges have been addressed.

There is a records policy, a functioning records classification scheme, an upgraded records management electronic system (TRIM) and a records management procedure in place.

A records management customer satisfaction survey, conducted on internal customers showed that most of them appreciated the services offered by the division.

The survey results revealed that customer satisfaction with records services stood at 75%.

The Authority is currently finalising a retention schedule which will inform the records appraisal process to be undertaken in the next financial year.

8.3 DEVELOPMENT OF THE NATIONAL CREDIT AND QUALIFICATIONS FRAMEWORK (Cont)

8.3.2 DEVELOPMENT OF THE NCQF INSTRUMENTS TO THE BQA ACT REGULATIONS

During the year, BQA continued to expedite the development of various guidelines, criteria and policies to support the implementation of the National Credit and Qualifications Framework (NCQF).

Most of the draft documents were completed during the reporting period and were awaiting the gazetting of the Regulations before they could be implemented.

8.3.3 RE-ENGINEERING CURRENT BQA PROCESSES

The e-Gov Educational Management Cluster Team from the Ministry of Education and Skills Development assisted BQA to re-engineer its core business processes.

This involved interviewing business process owners and those directly involved in the processes. Other steps undertaken included mapping and critiquing the processes.

The processes re-engineered were derived from the following core functions:

- (a) Registration and accreditation of education and training providers
- (b) Registration and accreditation of trainers, assessors and moderators
- (c) Establishment of Qualifications Development Bodies
- (d) Development of qualifications and part qualifications
- (e) Registration of qualifications
- (f) Evaluation of qualifications

(g) Certificate processing and issuing

(h) Auditing of education and training providers

Figure 2 is an illustration of the process of evaluation of qualifications, as an example of a business process.

The Team also conducted an audit of the BQA IT systems with the view to establish their readiness to support a national road map of having one education IT system across Government.

In the initial audit, it was discovered that BQA had two systems; the Qualifications Register and Information System (QRIS) which had just been introduced as a possible future system.

Also in existence was the legacy Quality Assurance Database System (QADS) which had been in use for many years.

BQA requested the Team to audit the two systems and provide advice regarding the development of a robust system that would meet the needs of BQA.

The Authority awaits a full audit report which will inform the systems re-engineering.

8.3.4 REVIEW OF THE SCHEDULE OF FEES

The Authority is required to generate funds for its operations as stated in the Botswana Qualifications Authority Act.

Consequently, the Authority has had to review fees for its products and services based on a cost recovery approach.

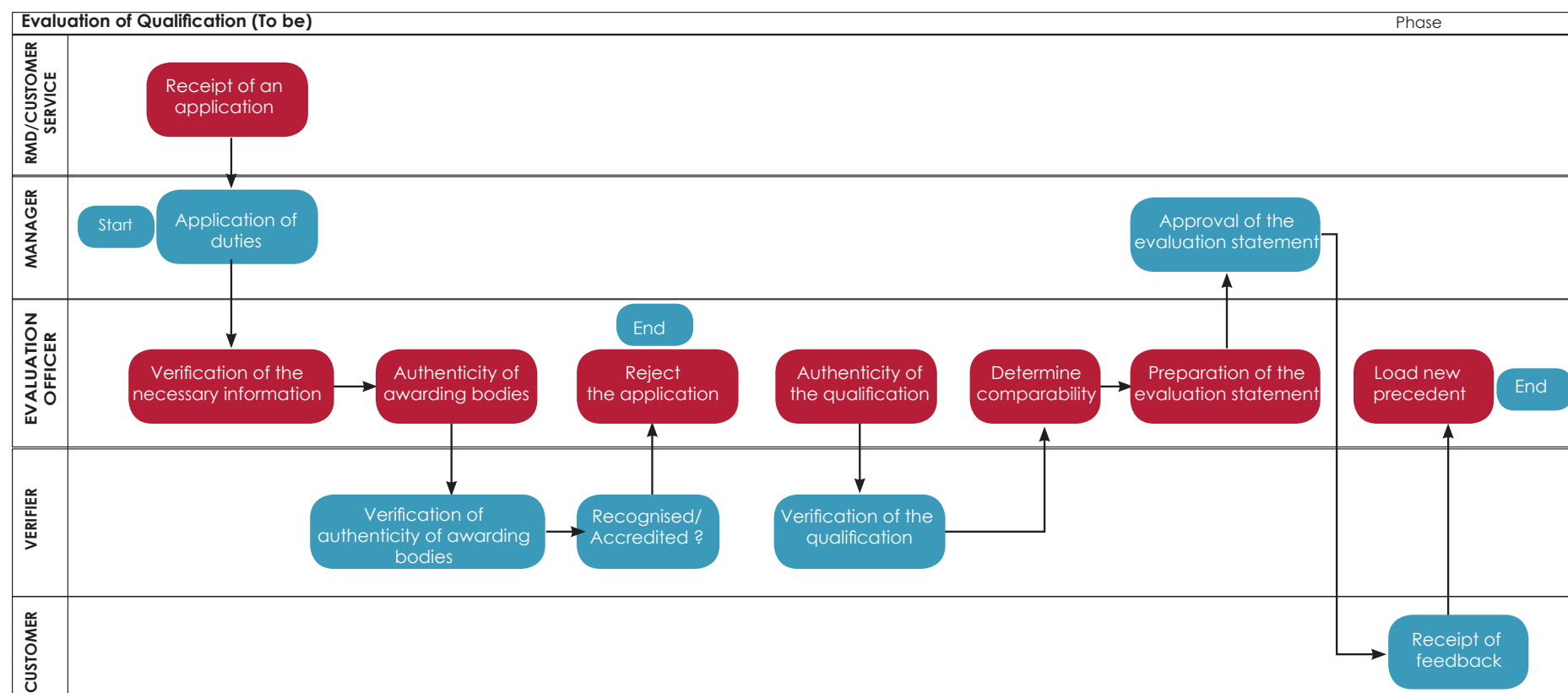
This approach is a departure from the legacy approach employed by the then Botswana Training Authority (BOTA) where fees were charged on cost sharing basis.

8.3 DEVELOPMENT OF THE NATIONAL CREDIT AND QUALIFICATIONS FRAMEWORK (Cont)

The fees being reviewed are for the following services:

1. Registration and accreditation as an education and training provider
2. Accreditation of learning programmes
3. Audit of education and training providers
5. Registration and accreditation as an assessor or moderator
6. Evaluation of qualifications
7. Issuing of certificates and record of learning

Figure 2. Sample Business Process map: Evaluation of qualifications



8.4 QUALITY ASSURANCE

8.4.1 REGISTRATION AND ACCREDITATION OF EDUCATION AND TRAINING PROVIDERS AND LEARNING PROGRAMMES

BQA undertakes the following quality assurance services in TVET and Higher Education; registration and accreditation of education and training providers, assessment centres, learning programmes, trainers and assessor, learners, moderation of assessments and compliance monitoring.

8.4.1.1 Quality Assurance Services in Technical and Vocational Education and Training (TVET)

This subsystem covers education training and learning programmes which provide knowledge, skills and competencies relevant for employment or self-employment.

8.4.1.2 Registration and Accreditation of Education and Training Providers (ETPs)

As at 31st March 2015, the Authority had a total of 133 applications for initial accreditation and of these 102 were processed and concluded. This represents an average performance level of 77% against a set target of 90%. These latest accreditations bring to 520 the total number of BQA accredited TVET education and training providers.

8.4.1.3 Accreditation of learning programmes

As at 31st March 2015, the Authority had received 1225 applications for learning programme accreditation. Out of these, 952 were processed and concluded by the year end. This represents an average performance level of 78% against a set target of 90%. The cumulative number of accredited programmes is 4858.

8.4.1.4 Registration and accreditation of trainers and assessors

a) Trainer Registration and accreditation

BQA registers trainers on provisional or full registration basis. Provisional

registration is given to those who do not meet some of the requirements and full registration is granted to those who meet all the requirements. In most cases they would be lacking either a teaching qualification or two years' experience or both.

For this financial year, 2036 applications were received out of which 1813 were granted registration. A total of 1301 were granted provisional registration and 521 were accredited. The average performance for the year is 89% against the set target of 90%.

There were more submissions for registration and accreditation of trainers this year than last year, most of which were from public education and training providers.

This may be attributed to the decision by BQA not to renew accreditation of education and training providers which had unaccredited trainers.

b) Registration and Accreditation of Assessors

BQA registers assessors on provisional or full registration (accreditation) terms. Provisional registration is given to those who do not meet some of the requirements for accreditation.

Accreditation is granted to those who meet all the requirements. Possession of standard based assessor qualification based on the training standard 0056, or equivalent and minimum two years relevant experience are the key requirements.

A total of 253 assessor applications were received and were all processed in 2014/15 compared to 169 registered in 2013/14. The cumulative totals are 680 granted accreditation and 791 granted provisional registration. This shows a significant increase in assessor registration.

This may be attributed to the fact that more institutions recognize the need to have trained and registered assessors as there was an 83% increase for those

8.4 QUALITY ASSURANCE (Cont)

granted accreditation in the year 2014/15. Table 18 below present a summary of quality assurance services in the TVET subsystem.

Table 19: A summary of quality assurance services in the TVET subsystem

Service	2014/15	Cumulative total
Accreditation of institutions	102	520
Accreditation of learning programmes	952	4858
Provisional Registration of trainers	1301	6226
Accreditation of trainers	512	1684
Provisional Registration of Assessors	77	791
Accreditation of Assessors	176	680

8.4.1.5 Learner registration

BQA registers learners in order to facilitate their credit accumulation within the system. This registration also provides information on available skills. During the reporting period, 3449 learners were registered, compared to 3043 in the previous year, representing an increase of 406.

8.4.1.6 Compliance monitoring

The Authority monitors and audits all the accredited education and training providers in the country to ensure continued compliance with the provisions of the BQA Act through scheduled and unscheduled audits.

For the 2014/15 year, 106 institutions, against the set target of 100, were audited, out of which 105 were audited for renewal of accreditation and one for surveillance.

Most of the institutions responded positively to the audit findings and implemented the necessary corrective actions recommended in order to remain compliant.

Among the audited providers, lack of a valid health and safety certificate and use of unaccredited trainers were the most common issues of non-compliance. Strategies have been put in place to address these, and BQA has seen a significant improvement.

8.4.2 HIGHER EDUCATION

This sub-system covers Diploma to Doctoral Level.

8.4.2.1 Registration of education and training providers

BQA registers education and training providers who offer higher education and training learning programmes. The letter of interim authority authorizes the operations of an ETP once the Authority has satisfied itself that the provider has the resources, realistic plans to achieve the aims and objectives of its establishment, meets the set minimum standards and that it is in the best interest of higher education in Botswana.

During 2014/15, three institutions were registered; two private and one public. Of the two private education and training providers, one was registered under Letter of Interim Authority while the other was promoted from Letter of Interim Authority status to registration.

The public ETP was registered under Letter of Interim Authority. This registration brought the number of ETPs registered to offer higher education in the country to 44 as at end of March 2015; 19 private and 25 public.

8.4.2.2. Learning programme accreditation

A total of five ETPs had submitted 28 learning programmes for accreditation in 2014/15, eight of which were assessed and accredited. The remaining 20 learning programmes were still at different stages of the accreditation process.

8.4 QUALITY ASSURANCE *(Cont)*

8.4.2.3 Learning programme review (HE)

Private Higher ETPs submit programmes for review and approval before such programmes can be offered and this applies to both franchised and home grown programmes. For this year, 116 learning programmes were received for review and approval, out of which 64 were approved and 4 rejected and 48 are still at different stages of the review process.

8.4.3 GENERAL EDUCATION (GE)

During the course of the year, the Authority started consultations with the relevant stakeholders for purposes of facilitating registration and accreditation of schools, teachers and learning programmes in this sub-field. These consultations will continue in the next financial year.



8.5 HIV & AIDS MAINSTREAMING

HIV & AIDS mainstreaming was undertaken at accredited institutions through curriculum and extra curriculum activities.

8.5.1 CAPACITY BUILDING WORKSHOPS

The Authority has developed HIV & AIDS Mainstreaming Programme which is aimed at addressing welfare and wellness issues (including HIV and AIDS) within institutions. Through workshops, institutions are afforded an opportunity to share ideas, experiences and 'best practices'. During the year under review, a total of 10 institutions were supported to implement the HIV & AIDS mainstreaming programme.

8.5.2 THE ANNUAL DRAMA COMPETITIONS

The Authority conducted the annual HIV & AIDS Drama competitions under the theme *"Youth for Abstinence: It is possible, yes we can"*. The theme sought to encourage the youth to educate one another on ways to abstain from sexual activities.

It was also geared at engaging the young people, as agents of change, to promote abstinence as a way of reducing the escalating HIV infection rates in Botswana. The results for these competitions were as follows:

- a) Position 1. Senyawwe Brigade
- b) Position 2. Oodi College of Arts and Applied Technology
- c) Position 3. Tswelelopele Brigade
- d) Position 4. Byte Size College

There were also individual prizes for best actor, best actress, and best supporting actor / actress and best director. The prizes were in the form of sponsorships to pursue a performing arts course or towards payment of tuition fees if the recipient had already enrolled.

8.5.3 PUBLICATION OF EMANG MAGAZINE

To enhance public education on health and wellness, BQA in collaboration with accredited ETPs published and distributed Emang magazine, quarterly.



8.6 PARTNERSHIPS

One of BQA's key strategic objectives is the establishment of partnerships and networks for education and training for both development services and quality assurance. During the 2014/15 financial year, the Authority maintained these partnerships:

A) PARTNERSHIP WITH THE CHAMBER OF MINES

In order to promote uptake of the qualifications in the framework, the Authority partnered with various stakeholders to develop and deliver programmes based on the Framework.

The project involves development of learning programmes based on NCQF qualifications and their implementation at Francistown College of Technical and Vocational Education and Training (FCTVE) and Botswana College of Engineering and Technology (BCET).

The programmes developed during the 2013/14 financial year were implemented and a total of 100 learners were enrolled in FCTVE and BCET in the following programmes: Industrial Electrical, Instrumentation, Millwright and Machine Fitting. A further three programmes were developed in the year under review namely, Refrigeration and Air-conditioning, Plumbing and Pipe Fitting, and Generic Skills and are being supported to ensure that they meet BQA accreditation requirements.

B) PARTNERSHIP WITH OTHER REGULATORY BODIES

BQA has Memoranda of Agreements with the South African Qualifications Authority, Mauritius Qualifications Authority, Namibia Qualifications Authority, TEVETA-Zambia and TEVETA-Malawi. During the 2014-15 period, BQA continued to share experiences and expertise with these bodies and was successful in acquisition of best practices to shape the new Regulations and other statutory instruments to operationalise the NCQF.

C) PARTNERSHIP WITH UNESCO-UNEVOC

The Authority hosted the Africa Regional UNESCO-UNEVOC workshop on Youth Transitions and Network Consolidation in April 2014, through which the region deliberated on regional and international school-to-work transitions and issues of youth unemployment in Africa. The workshop succeeded in strengthening the regional network and promotion of institutional collaborations to address the TVET discourse.



8.7 RESEARCH

BQA carries out research and surveys to provide evidence based policy advice to government on issues relating to education and training. In the year under review, two (2) research studies were conducted:

1. ENROLMENTS IN BQA REGISTERED AND ACCREDITED EDUCATION AND TRAINING PROVIDERS IN 2014

BQA collects data on enrolments annually from accredited ETPs offering learning programmes from certificate up to doctoral level. The total number of enrolments for the year 2014 was 66396 learners from 135 registered and accredited ETPs who submitted data. The majority of the learners were enrolled at HE ETPs and they constituted a total of 36925 learners. Efforts are being made to ensure that all ETPs register and report enrolments.

Of the 66396 learners, 30679 were females and 35562 males. The survey identified 155 learners with disability.

Table 20: Number of learners in accredited institutions in 2014

Total Enrolled		Gender		LWD		Graduated		LWD	
		M	F	M	F	M	F	M	F
TVET	29316	15650	13666	92	45	8009	7737	49	32
HE	36925	14928	21842	9	9	3107	4732	2	0
Total	66396	30679	35562	101	54	11167	12501	51	32

Key: M –Males F- Females LWD- Learners with disabilities

2. RPL IMPACT ASSESSMENT STUDY

BQA, among other functions, is mandated to develop policy and criteria for work-based teaching, workplace learning and work-based learning programmes, the recognition of prior learning (RPL), and the credit accumulation and transfer system (CATS).

In 2006, Traditional Song and Dance were packaged to promote indigenous skills and knowledge through culture (Arts and Craft). In 2007, 100 Candidates were assessed and attained BNVQF level 2 qualifications in Basketry and Traditional Song and Dance.

Since implementation of RPL, there was no study conducted to assess the impact of RPL. It is for this reason that the study was conducted to assess the impact of RPL.

The study targeted (sample size) 50 RPL class of 2007 graduates, in Etsha and Shakawe. The study established that 77 % of the respondents were knowledgeable on RPL and that 23% were not. It was also found that 93 % expressed the need to upgrade their RPL qualification. Worth noting is that 85% of the graduates indicated the need for RPL. Table 21 shows impact of RPL on graduates.

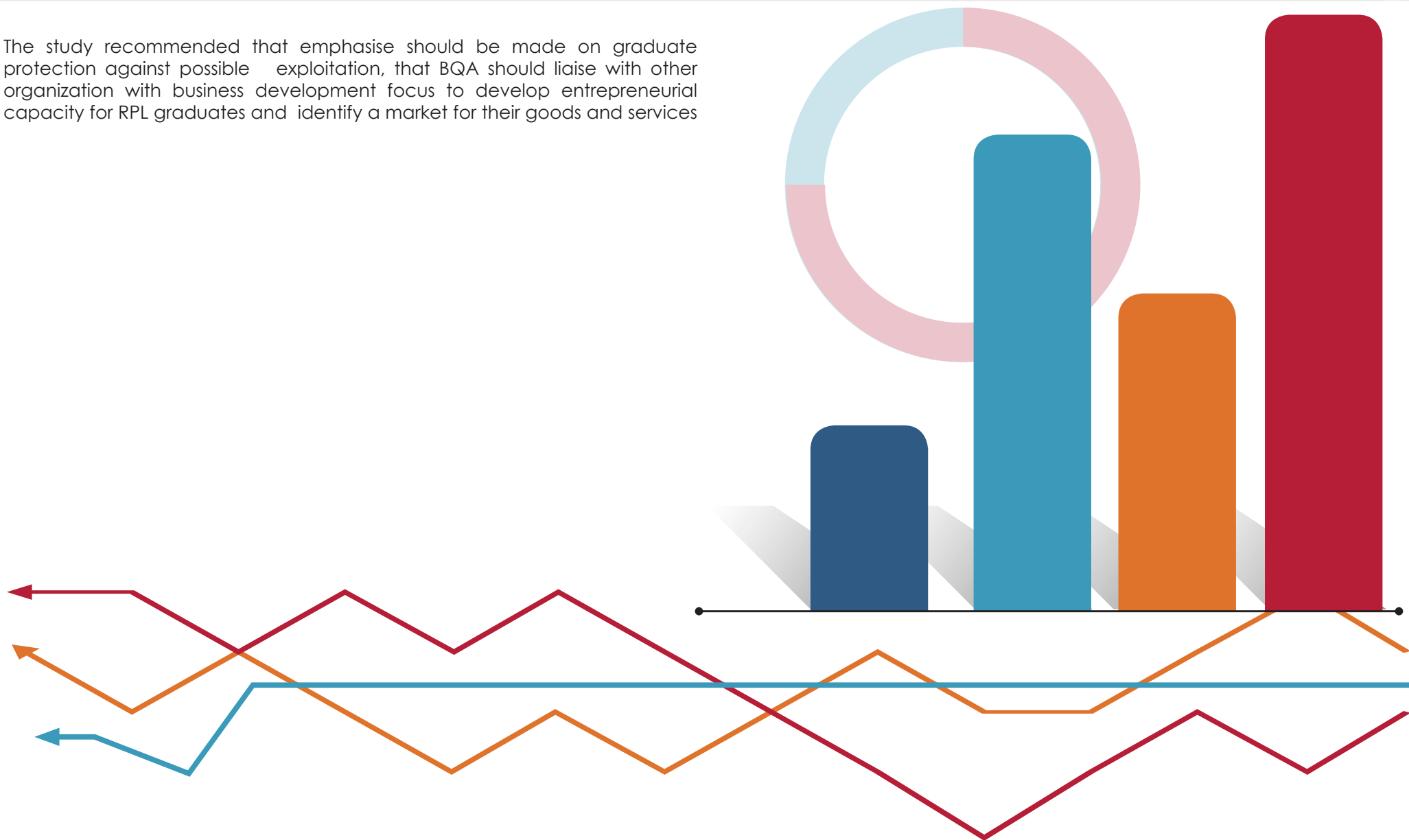
Table 21: % impact of RPL

Is there Improvement or change			Reasons	%
	No	62%		
			No improvement	32
			Have not used it	22
			There are no jobs	2
			No market	6
	Yes	38%	We are exhibitors (locally & Internationally)	6
			Counted among the best	9
			Conduct workshops	4
			Able to fend for oneself	4
			Produce freely	15

The respondents cited some challenges; out of 48 participants, 73% of responses do not know where to use their qualification, 9% indicated that there was no market and 18% said that there were advertisements for their products.

8.7 RESEARCH (Cont)

The study recommended that emphasise should be made on graduate protection against possible exploitation, that BQA should liaise with other organization with business development focus to develop entrepreneurial capacity for RPL graduates and identify a market for their goods and services



8.8 STAKEHOLDER RELATIONS

Core to building corporate reputation is implementing, measuring and monitoring the Communication Strategy. The main objective was to share information on the existing services, changes and the value add to customers.

8.8.1 COMMUNICATIONS AND PUBLIC EDUCATION

BQA communicates to increase awareness of its products and services and to encourage stakeholders to uptake and utilise the services. This includes initiatives that promote education and training system as a key contributor to the development of the country as well as the need for the country to develop its human resources to meet both the local and international industry needs.

BQA participated in various national exhibitions and fairs to familiarise stakeholders with its services. These included the BOCCIM Northern Trade Fair, the Tertiary Education Fair, District Agricultural Shows and the Botswana Consumer Fair amongst others.

BQA also developed its brand identity, which would be launched early in the new financial year. The logo adequately represents the organisation's mandate, highlighting the three education sub-systems and the nation's vision of being globally competitive in the job market due to portability of skills.

For the year, the authority recorded satisfactory results for effectiveness of interventions. This was attested to by scoring an annual average of 90 % against the set target of 85 %. This measure seeks to establish the impact of BQA stakeholder engagement activities. The impact measure for this year was mainly based on stakeholder consultation workshops that sought to educate further on the BQA mandate as well as the draft regulations and supporting tools.

8.8.2 CUSTOMER SERVICE

The Authority regards customer satisfaction as very important and core to its strategy. In line with this positioning, the Authority continued to provide quality, transparent and credible customer service through customer focused processes and procedures. Customer queries were diligently handled.

The Authority also systematically collected feedback from its customers for continuous improvement.

This year, customer satisfaction levels declined to 88% on average compared to 90% in 2013/14. The decline may be attributed to challenges associated with the rationalisation and establishment of BQA.

The Authority has developed strategies to address this declining quality of customer service. One such initiative is engaging customers through feedback tools.

The Authority also systematically collected feedback from its customers for continuous improvement. This year, customer satisfaction levels declined to 88% on average compared to 90% in 2013/14. The decline may be attributed to challenges associated with the rationalisation and establishment of BQA. The Authority has developed strategies to address this declining quality of customer service. One such initiative is engaging customers through feedback tools.

The Authority has also increased the communication platforms to reach out to its customers to close the communication/geographical location gap. The platforms include Facebook and Twitter pages, Short Message Service (SMS) and WhatsApp line, which are attractive to the young customers and the LinkedIn page which targets corporate clients. The Authority had 5518 Facebook friends and 27 twitter follows by end of the reporting period. Uptake of twitter is very slow and reasons for its limited usage will be explored.

The Authority has incorporated the Reception and Switchboard functions into the Stakeholder Relations Division for better client reception and efficiency of services.

8.8 STAKEHOLDER RELATIONS *(Cont)*

8.8.3 CORPORATE SOCIAL RESPONSIBILITY

BQA sponsored some corporate and community projects such as Vision 2016, Diocore marathon, My Star, Cheshire Foundation, Mogoditshane Senior Secondary School and Mogorosi Junior Secondary School, amongst others. BQA aligned itself with events and activities that were trending to leverage on the popularity and mileage of these events. This assisted in raising awareness on the changes.





MANAGEMENT REVIEWS AND INTERNAL AUDITS CONTINUED TO BE UNDERTAKEN AS PART OF THE MAINTENANCE AND CONTINUAL IMPROVEMENT OF THE QMS.

8.9 MANAGEMENT SYSTEMS

8.9.1 QUALITY MANAGEMENT SYSTEM

Due to the transition BQA applied for re-certification to verify its continued compliance of the organization's processes with the documented system and the requirements of BOS ISO 9001: 2008 Quality Management Systems – Requirements. Following a successful special audit, the Authority was re-issued with a certificate by the Botswana Bureau of Standards (BOBS). Management reviews and internal audits continued to be undertaken as part of the maintenance and continual improvement of the QMS.

8.9.2 RECORDS MANAGEMENT SYSTEM

BQA continued to create, capture, retain and control records to support business functions and activities as per the requirements of the BOS ISO 9001:2008. In the year under review, BQA was mostly engaged in the finalisation and implementation of Records Management policies, procedures and tools in an effort to facilitate a smooth transition.

The Records Management Policy and a Records Procedures manual were finalised, while other documents such as the Records Classification Scheme, Records Retention and Disposal Schedule will be completed and implemented in the next financial year. BQA records holdings has increased this year because of the now broader mandate. The electronic records management system (HP TRIM) continues to bring efficiency through timeous distribution of corporate information and no major records management non-conformities have been raised this year, and BQA continues to pre-empt records management problems and provide long-term solutions.

BQA
BOTSWANA QUALIFICATIONS AUTHORITY

Quality Policy and Objectives

Issue No: 02

BQA.QM.01.A02

Quality Policy

We, Botswana Qualifications Authority (BQA), understand that customers/stakeholders are key to our existence and are committed to providing them with quality service thereby enhancing quality training system.

The Senior Management of BQA accepts the responsibility for business excellence and product quality, and is committed to implementing this policy through establishing the following:

Customer service excellence
We endeavour to be a leader in business excellence by providing products and services which exceed customer expectations.

Effectiveness and efficiency
We endeavour to conduct our business in a manner which ensures timeous delivery of service while ensuring optimization of resources.

Compliance with requirements
We further commit to continually comply with all the applicable statutory, regulatory and other requirements.

Quality Objectives

The Quality objectives are a vehicle for driving the Quality Policy. The objectives are as follows:

Customer service excellence
i) To achieve customer satisfaction level of 90% by 31st March 2015.

Effectiveness and efficiency
i) To implement and monitor performance against service level standards on a quarterly basis.
ii) To achieve 98% compliance to budget by 31st March 2015.

Compliance with requirements
i) To continuously monitor compliance with the Botswana Qualifications Authority Act and applicable Regulations.

Signed: _____
Abel Modungwa
Acting Chief Executive Officer

Date: 30th October 2014

02/30-10-2014

Page 1 of 1

8.10 HUMAN RESOURCE MANAGEMENT

The BQA values its human resources and has continually engaged and motivated them to ensure that the Authority achieved its mandate.

8.10.1 STAFF PLACEMENT

The Authority embarked on an extensive staff placement process that commenced with job match of staff. The overall job placement exercise has been a success as the Authority managed to place 99% of its employees. Only one employee exited voluntarily.

8.10.2 STAFF DEVELOPMENT

The focus for staff development in the year under review was to sponsor only the continuing study programmes because of the limited budget. A total of 43 staff members pursued long term studies with eight of them completing by the end of the financial year.

Table 22: 2014/15 Staff Development Results

Programme Level	Certificate	Diploma	Degree	Masters	Professional	Total
Long term Courses	1	1	5	17	19	43

The programmes were mostly interdisciplinary to equip staff with necessary professional development and skills needed to handle their job requirements.

8.10.3 PERFORMANCE AND REWARD MANAGEMENT

The overall objective of the performance and rewards system is to assist employees at all levels to improve performance on the job and optimise contribution to the achievement of the Authority mandate. Staff performance for the year was 107 against the set target of 105. The maximum possible score is 120. This was consistent with the previous year as the same score was achieved. This demonstrates that the staff had generally achieved on their functional strategic objectives.

8.10.4 STAFF RETENTION

BQA intensified provision of psycho-social support services such as counselling, internal communication, staff welfare services, amongst others, to lessen attrition rate. The effect of these initiatives was that staff became more prepared to deal with the transition resulting in a staff retention score of 96% against a set target of 95%.

8.10.5 CHANGE MANAGEMENT

The change management programme continued in the year under review. The emphasis was on assisting staff to adapt to new roles and responsibilities as well as participating in building the desired High Performance Organisation corporate culture. Change management initiatives included:

- Internal Communication - to provide up to date information. This was done through Sponsor walk about, Memos, staff consultations, BQA Fridays amongst others.
- External Communication - Stakeholder engagement activities such as consultative workshops, fairs, exhibitions, media placements and other brand activation programmes.
- Coaching and mentoring - to build capacity for change. Staff training sessions were conducted especially on new service areas in the expanded mandate.
- Resistance Management - to close gaps and address resistance issues. Through Awareness, Desire, Knowledge, Ability and Reinforcement (Prosci ADKAR) profiles, pledge cards and statements of commitment.



BOTSWANA
Qualifications Authority

•STAFF DEVELOPMENT•



THE PROGRAMMES WERE MOSTLY
INTERDISCIPLINARY TO EQUIP STAFF WITH
NECESSARY PROFESSIONAL DEVELOPMENT
AND SKILLS NEEDED TO HANDLE THEIR JOB
REQUIREMENTS.



9.0 CHALLENGES

BQA is still essentially an organisation in transition. There are still significant hurdles and challenges to be overcome before it is fully established.

1. GOVERNANCE

The delay in appointment of the substantive Board is also a challenge. This negatively impacted on the expertise required under the BQA Act.

2. QUALITY ASSURANCE

There has been a delay in gazetting the Regulations for operationalizing the BQA Act. As a result, the Authority has had to continue using Regulations that were formulated under the repealed Vocational Training and Tertiary Education Acts.

This presents the associated risks of legal implications of being non-compliant with the BQA Act, 2013. As part of business continuity, issues of non-compliance continued to exist. Monitoring and auditing of ETPs assisted minimize these.

3. FINANCIAL AND OTHER RESOURCES

Despite the growth in the mandate, 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 a result, the Authority has had to take a phased-in approach in implementing the mandate.

- The Authority was unable to fill all positions required to deliver on the new mandate.
- Some of the key activities such as establishing the General Education Sub-system had to be delayed.
- The Information Technology infrastructure was inadequate to support the expanded mandate.

4. INADEQUATE CAPACITY TO IMPLEMENT MANDATE

There continues to be limited expertise in BQA and from industry to support the implementation of the BQA mandate. In terms of BQA staff, capacity was built through workshops, short and long term training. Capacity building for industry was done through workshops and one-on one support.

Annual Financial Statements



GENERAL INFORMATION

BOTSWANA QUALIFICATIONS AUTHORITY

ANNUAL FINANCIAL STATEMENTS GENERAL INFORMATION

Board of Directors

Ms Y Rampa (Chairperson) -Retired 06 May 2014
Mr C Siwawa (Vice Chairperson)-Acting Chairperson 06 May 2014
Mrs M B Marobela
Dr P D Molutsi
Mr S Kgaoganang
Mr V Rantshabeng -Retired 31 March 2015
Mr F G Tatton
Dr N Tshabang
Mr M Masire
Mrs M Ramotshabi
Mrs M G Nthomiwa
Mr O B Gabasiane
Mr G I Mhotsha
Mr M. Kewagamang, Mr S Coles
Mr B J Mogotsi
Mrs A T Mbanga
Mr S Namoshe
Mr B M Kotlhao
Ministry of Finance and Development Planning-Vacant
Ministry of Transport and Communications-Vacant

Secretary

Mr A Modungwa

Business activities

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 08 November 2013.

Business and Postal addresses

Plot 66450, Block 7,
Private Bag BO340,
Gaborone, Botswana

Auditor

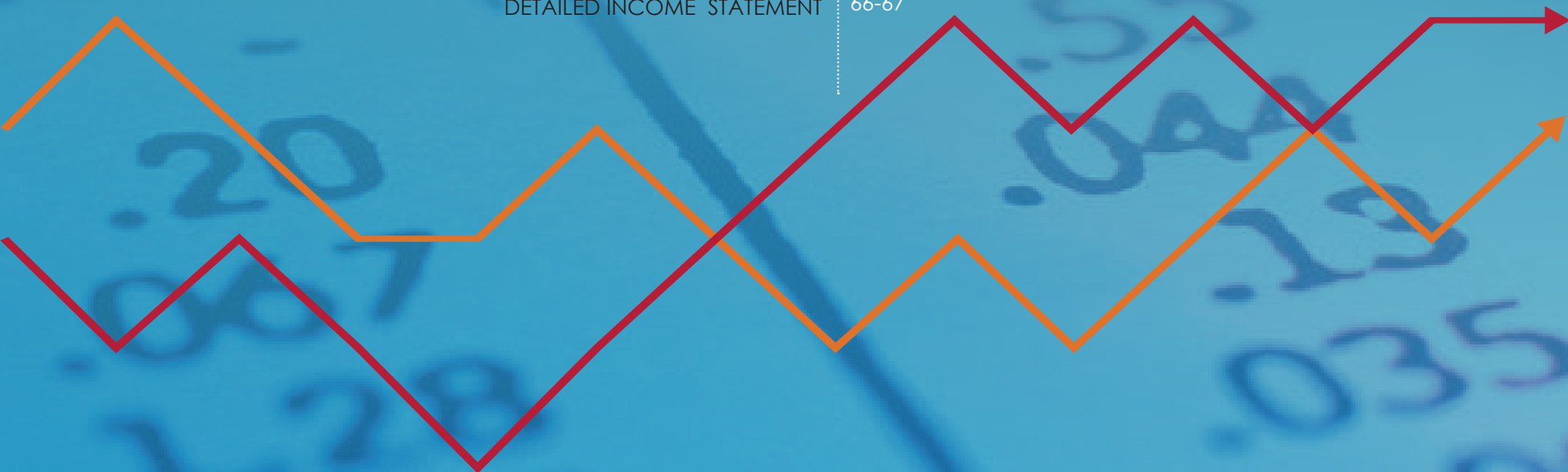
PricewaterhouseCoopers
Gaborone

Bankers

First National Bank of Botswana Limited
Stanbic Bank Botswana Limited

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DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

Directors' statement of responsibility

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 Education and Skills Development.

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 43 to 65 and supplementary information on pages 66-67 were authorized for issue by the Board of Directors and are signed on its behalf by:


.....
Director
.....
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOTSWANA QUALIFICATIONS AUTHORITY

Report on the financial statements

We have audited the accompanying annual financial statements of Botswana Qualifications Authority, which comprise the statement of financial position as at 31 March 2015, and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set on pages 43 to 65.

Director's Responsibility for the Financial Statements

Botswana Qualifications Authority's 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 a manner required by the Botswana Qualifications Authority Act, 2013 and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In the making those risks assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of, the financial position of Botswana Qualifications Authority as at 31 March 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other legal and Regulatory Requirements

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

- We have received all information and explanation 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 was 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 2 to the financial statements.

Individual practicing member: Priyalal De Silva
Membership number: 19900241

29 October 2015
Gaborone

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, R P De Silva, A S Edirisinghe, S K K Wijesena

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2015

	Notes	2015 P	2014 P
Income			
Government subvention	4	23,420,584	13,885,117
Contribution from the Human Resource Development Fund		29,704,680	-
Interest income	5	334,352	503,714
Other income	6	4,488,720	3,555,068
Amortisation of capital grants	11	1,814,095	2,056,577
Total income		<u>59,762,431</u>	<u>20,000,476</u>
Expenditure			
Advertising and promotion		(1,949,965)	(1,722,257)
Staff costs		(42,275,039)	(31,888,972)
Research and consultation		(3,705,201)	(3,008,732)
Workshops and conferences		(1,496,658)	(1,756,825)
Other operating expenses		(11,274,641)	(10,929,499)
Total expenditure		<u>(60,701,504)</u>	<u>(49,306,285)</u>
Deficit for the year from continuing operations		<u>(939,073)</u>	<u>(29,305,809)</u>
Discontinued operations			
Surplus for the year from discontinued operations	21	-	23,396,972
Deficit for the year		<u>(939,073)</u>	<u>(5,908,837)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(939,073)</u>	<u>(5,908,837)</u>

STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

Assets	Notes	2015 P	2014 P
Non-current assets			
Property, plant and equipment	8	57,581,214	59,053,804
Intangible assets	9	-	119,110
		<u>57,581,214</u>	<u>59,172,914</u>
Current assets			
Trade and other receivables	10	8,770,767	6,922,557
Cash and cash equivalents	14	<u>29,243,194</u>	<u>25,777,151</u>
		38,013,961	32,699,708
Assets classified as held for sale	21	-	1,135,344
		<u>38,013,961</u>	<u>33,835,052</u>
Total assets		<u>95,595,175</u>	<u>93,007,966</u>
RESERVES AND LIABILITIES			
Funds and reserves			
Accumulated funds		4,117,103	5,056,176
Revaluation reserve		<u>28,912,045</u>	<u>28,912,045</u>
		<u>33,029,148</u>	<u>33,968,221</u>
Non-current liabilities			
Capital grants	11	<u>30,945,661</u>	<u>31,847,832</u>
Current liabilities			
Projects funds	12	8,982,052	6,307,607
Trade and other payables	13	9,093,212	2,309,754
Employees benefits accruals	15	<u>13,545,102</u>	<u>17,285,439</u>
		31,620,366	25,902,800
Liabilities classified as held for sale	21	-	1,289,113
		<u>31,620,366</u>	<u>27,191,913</u>
Total reserves and liabilities		<u>95,595,175</u>	<u>93,007,966</u>

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2015

	Accumulated Funds P	Revaluation reserve P	Total P
Balance as at 1 April 2013	10,965,013	28,912,045	39,877,058
Total comprehensive loss for the year	(5,908,837)	-	(5,908,837)
Balance as at 31 March 2014	5,056,176	28,912,045	33,968,221
Total comprehensive loss for the year	(939,073)	-	(939,073)
Balance as at 31 March 2015	4,117,103	28,912,045	33,029,148

STATEMENT OF CASH FLOWS

for the year ended 31 March 2015

Notes	2015 P	2014 P
Cash flows from operating activities		
Deficit for the year	(939,073)	(5,908,837)
Adjusted for:		
Amortisation of capital grants	11 (1,814,095)	(2,245,722)
Depreciation of property, plant and equipment	8 2,384,515	2,622,330
Amortisation of intangible assets	9 119,110	279,393
Interest income	(334,352)	(503,714)
Operating cash flows before working capital changes	(583,895)	(5,756,550)
Increase in trade and other receivables	(1,848,210)	(629,872)
Increase in trade and other payables	6,783,458	1,623,496
Decrease in employee benefits accruals	(4,530,218)	(55,499)
Net cash used in operating activities	(178,865)	(4,818,425)
Cash flows from investing activities		
Interest received	334,352	503,714
Capital grants received	579,416	114,883
Payments for property, plant and equipment	(579,416)	(114,883)
Net cash generated by investing activities	334,352	503,714
Cash flows from financing activities		
Projects funds received	12 4,700,000	3,300,000
Payments for capital projects	12 (332,508)	(106,226)
Payment for BQA project	12 (1,693,047)	-
Net cash generated from financing activities	2,674,445	3,193,774
Increase/(decrease) in cash and cash equivalents	2,829,932	(1,120,937)
Cash and cash equivalents at beginning of the year	26,413,263	27,534,200
Cash and cash equivalents at end of the year	29,243,195	26,413,263
Cash and cash equivalents is composed of:		
Cash on hand	1,264	1,274
Call bank accounts	129,458	16,238,829
Current bank account	29,112,472	9,537,048
	29,243,194	25,777,151
Bank balances classified as assets held for sale	21 -	636,112
	29,243,194	26,413,263

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. GENERAL INFORMATION

The Botswana Qualifications Authority ("BQA" / "Authority") 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 address of its registered office is Plot 66450, Block 7, Gaborone, Botswana.

Financial Statements set out on pages 43 to 65 have been approved by the Board of directors on 16 October 2015

2. PRINCIPAL ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

The preparation of the 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 judgement in the process of applying the Authority's accounting policies.

Estimates and judgements 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Items included in these financial statements are measured using the currency that best reflects the primary economic environment in which the Authority operates - the functional currency. The financial statements are presented in Botswana Pula, which is the Authority's functional and presentation currency.

2.1.1 ADOPTION OF STANDARDS IN THE CURRENT FINANCIAL YEAR

(a) The following new standards were adopted by the Authority during the year.

- Amendments to IAS 32-'Financial Instruments: Presentation', on financial instruments assets and liability offsetting - The IASB has issued amendments to the application guidance in IAS 32,'Financial Instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP. (Effective from 1 January 2014).
- IASB issues narrow-scope amendments to IAS 36, 'Impairment of assets' – These amendments address the disclosures of information about the recoverable amount of impaired assets if the amount is based on fair values less cost of disposal. (Effective 1 January 2014).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

2.1.1 ADOPTION OF STANDARDS IN THE CURRENT FINANCIAL YEAR (continued)

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

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

- Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12 and IAS 27 for investments entities – The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to the entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make. (Effective from 1 January 2014).
- IFRIC 21 – Accounting for levies – FRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses diversity in practice around when the liability to pay is recognized. (Effective 1 January 2014).
- Amendment to IAS 39 'Financial Instruments: Recognition and measurement', on novation of derivatives and hedge accounting - The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria. Similar relief will be included in IFRS 9, 'Financial Instruments'. (Effective from 1 January 2014)

2.1.2 ADOPTION OF STANDARDS IN THE FUTURE ANNUAL PERIODS

The following new standards, amendments, improvements and interpretations to existing standards are mandatory for the Authority's accounting periods beginning on or after 1 April 2015. These have not been early adopted by the Authority.

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

- IFRS 9 – Financial Instruments (2009) – 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. (Effective from 1 January 2018).
- IFRS 9 – Financial Instruments (2010) – 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 derecognizing financial instrument 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 from January 2018).

- Amendment to IFRS 13, 'Fair value measurement' – When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG 79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. (Effective 1 July 2014).
- IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets' – Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:
 - either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the after taking into account accumulated impairment losses; or
 - the accumulated depreciation is eliminated against the gross. (Effective 1 July 2014).
- 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).
- IFRS 13, 'Fair value measurement' – The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. (Effective 1 July 2014).
- IAS 40, 'Investment property' – The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. (Effective 1 July 2014).
- 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 recognized based on the satisfaction of performance obligations, which occurs when control of good or services transfers to a customer. (Effective 1 July 2017).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

2.1.2 ADOPTION OF STANDARDS IN THE FUTURE ANNUAL PERIODS (continued)

Management is currently assessing the impact 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.

(a) New standards, amendments and interpretations which are not relevant to the authority's operations

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets – The IASB has issued this amendment to eliminate the inconsistency between IFRS 10 and IAS 28. If the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business', then the full gain or loss will be recognized by the investor. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. (Effective 1 January 2016).
- 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 1 January 2016).
- Amendments 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 amendment specifies the appropriate accounting treatment for such acquisitions (Effective 1 January 2016).
- IFRS 14 - The IASB has issued IFRS 14, 'Regulatory deferral accounts' (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 1 January 2016).
- Amendment to IAS 19 regarding defined benefit plan – These narrow scope amendments apply to contribution from employees or third parties to define benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. (Effective 1 July 2014).
- Amendment to IFRS 2, 'Share based payment' – The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. (Effective 1 July 2014).
- Amendment to IFRS 3, 'Business combinations' – The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, 'Financial instruments : Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognized in the profit and loss. Consequential changes are also made to IFRS 9, IAS 37 and IAS 39. (Effective 1 July 2014).
- Amendments to IFRS 8, 'Operating segments' – The standard is amended to require disclosure of the judgements made by management in aggregating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segments assets to the entity's assets when segments are reported. (Effective 1 July 2014).
- IFRS 3, 'Business combinations' – The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself. (Effective 1 July 2014).
- 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 the bearer plants and explained that a bearer plant not yet in 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 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 1 January 2016).
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortization. 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 economic benefits embodied in an intangible asset. (Effective 1 January 2016).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

2.1.2 ADOPTION OF STANDARDS IN THE FUTURE ANNUAL PERIODS (continued)

- 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 weakness in the current model in IAS 39. Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:

- The own credit risk requirements for financial liabilities.
- Classification and measurement (C&M) requirements for financial assets.
- C & M requirements for financial assets and financial liabilities.
- The full current version of the IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting).

The transitional provisions described above are likely to change once the IASB completes all phases of the IFRS 9. (Effective 1 January 2018).

- IAS 24, 'Related party disclosures' – The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity') (Effective 1 July 2014).
- IFRS 1, 'First-time adoption of International Financial Reporting Standards - The basis for conclusion on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented. (Effective 1 July 2014).

2.2 FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated to Botswana Pula at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Any foreign exchange differences are dealt with in the statement of comprehensive income in the year in which the difference occurs.

2.3 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment are stated at cost less accumulated depreciation. Property is stated at its revalued amount less accumulated depreciation. Depreciation is calculated on the straight line basis from the time the assets are available for use, so as to write off their cost over their estimated useful lives, taking into account any residual values. The estimated useful lives, residual values and depreciation methods are reviewed each year end, with the effect of any changes in estimates accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

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

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations will be performed every three years such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and shown as revaluation reserve, except that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in statement of comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated funds.

Freehold land is not depreciated. Leasehold land is however amortised over the lease period.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives and residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

2.3 PROPERTY, PLANT AND EQUIPMENT (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits of the existing asset will flow to the Authority.

2.4 INTANGIBLE ASSETS

(a) 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.

Computer software are amortised over period of 7 years.

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.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

2.5 EMPLOYEE BENEFITS

Employees of the Authority are on contract and are eligible for gratuity at the rate of 30% (2014: 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.

2.6 PROVISIONS

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow or economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect time value of money.

2.7 REVENUE RECOGNITION

(a) Government subvention and grants

Revenue grants are recognised in the statement of comprehensive income on an accrual basis. 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.

(b) Interest income

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

(c) Registration fees

Registration, accreditation and audit fees comprises of fees payable by institutions, trainers and assessors. These fees are recognised on an accrual basis in the period when the services are rendered.

2.8 PROJECTS 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 are 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(Cont...)*

for the year ended 31 March 2015

2.8 PROJECTS FUNDS AND CAPITAL GRANTS (cont)

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.

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purposes of the statement of cash flows, and are shown within borrowings in current liabilities in statement of financial position.

2.10 TAXATION

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).

2.11 IMPAIRMENT OF ASSETS

The carrying amounts of the Authority's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there is any indication that an asset is impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount than would have been determined (net of amortisation) had no impairment loss been recognised in prior year.

2.12 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.

2.13 FINANCIAL INSTRUMENTS

(a) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Authority's principal financial assets are 'loans and receivables'.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(Cont...)*

for the year ended 31 March 2015

2.13 FINANCIAL INSTRUMENTS (continued)

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Recognition of financial assets

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The Authority's equity comprises accumulated funds.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Authority's principal financial liabilities are 'other financial liabilities'.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Residual values and useful lives of property, plant and equipment and residual values

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.

3.2 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 purchased, market conditions at the reporting date and the practice adopted by similar organisations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

4 GOVERNMENT SUBVENTION

Annual Government subvention
Less: amount transferred to capital grants (Note 11)

5 INTEREST INCOME

Bank interest

6 OTHER INCOME

Registration fees
Contributions
Other income

7 EXPENSES BY NATURE

Auditor's remuneration:
Audit fees - current year
- prior year
Board fees and expenses
Depreciation of property, plant and equipment
- Continuing operations
- Discontinued operations
Travel and accommodation expenses
- Continuing operations
- Discontinued operations
Staff costs (as below)
- Continuing operations
- Discontinued operations
Advertising and promotion
Computer expenses
HIV/AIDS activities
Insurance
Maintenance and running costs
Printing and stationery
Research and consultancy
Workshops and conferences
Other expenses

Staff costs:

Salaries and wages
Gratuity
Medical expenses
Leave pay
Other staff costs
Severance pay

Number of staff - Continuing operations
- Discontinued operations

	2015 P	2014 P
	24,000,000	14,000,000
	(579,416)	(114,883)
	<u>23,420,584</u>	<u>13,885,117</u>
	334,352	503,714
	4,478,220	2,742,924
	-	757,500
	10,500	54,644
	<u>4,488,720</u>	<u>3,555,068</u>
	196,000	185,500
	-	4,650
	310,757	303,259
	2,503,625	2,901,723
	<u>2,503,625</u>	<u>2,712,578</u>
	-	189,145
	791,545	1,503,030
	<u>791,545</u>	<u>1,491,674</u>
	-	11,356
	42,275,039	33,980,942
	<u>42,275,039</u>	<u>31,888,972</u>
	-	2,091,970
	1,949,965	1,902,870
	2,344,442	1,262,104
	554,404	569,144
	590,927	581,479
	902,166	945,135
	661,914	784,575
	3,705,201	3,008,732
	1,496,658	1,829,186
	<u>2,418,861</u>	<u>2,089,401</u>
	<u>60,701,504</u>	<u>51,851,730</u>
	30,191,772	24,262,246
	7,845,171	7,281,407
	354,490	318,390
	1,214,982	854,704
	2,602,038	1,143,790
	66,586	120,403
	<u>42,275,039</u>	<u>33,980,940</u>
	100	92
	-	5
	<u>100</u>	<u>97</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)
for the year ended 31 March 2015

8 PROPERTY, PLANT AND EQUIPMENT

Cost/valuation	Land & buildings	Plant & machinery	Motor vehicles	Furniture & fittings	Office equipment	Computer equipment	Library books	Total
	P	P	P	P	P	P	P	P
Balance at 1 April 2013	54,600,000	4,223,534	1,541,443	2,955,746	1,785,065	1,978,630	303,999	67,388,417
Additions	-	106,226	-	-	19,557	92,310	3,016	221,109
Reclassified as held for sale	-	-	-	(193,797)	-	-	-	(193,797)
Balance at 31 March 2014	54,600,000	4,329,760	1,541,443	2,761,949	1,804,622	2,070,940	307,015	67,415,729
Additions	-	375,939	311,126	116,502	-	99,677	8,680	911,924
Balance at 31 March 2015	54,600,000	4,705,699	1,852,569	2,878,451	1,804,622	2,170,617	315,695	68,327,653
Accumulated depreciation								
Balance at 1 April 2013	-	806,861	1,067,107	1,127,597	1,415,532	1,100,511	265,493	5,783,101
Charge for the year:								
- Continuing operations	1,331,707	211,080	205,903	268,016	252,995	304,515	28,734	2,602,950
- Discontinued operations	-	-	-	19,380	-	-	-	19,380
Reclassified as held for sale	-	-	-	(43,506)	-	-	-	(43,506)
Balance at 31 March 2014	1,331,707	1,017,941	1,273,010	1,371,487	1,668,527	1,405,026	294,227	8,361,925
Charge for the year	1,326,030	233,023	190,861	269,927	56,435	292,334	15,904	2,384,514
Balance at 31 March 2015	2,657,737	1,250,964	1,463,871	1,641,414	1,724,962	1,697,360	310,131	10,746,439
Carrying amount								
At 31 March 2014	53,268,293	3,311,819	268,433	1,390,462	136,095	665,914	12,788	59,053,804
At 31 March 2015	51,942,263	3,454,735	388,698	1,237,037	79,660	473,257	5,564	57,581,214

An independent valuation of the Authority's land and buildings was performed in 2012/2013 by MG Properties. The next valuation would be done in 2015/2016 as per the approved policy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Fair values of land and building

An independent valuation of the Authority's property, plant and equipment was performed by external independent valuers having appropriate recognised professional qualification and relevant experience to determine the fair value of the property, plant and equipment as at 31st March 2013. The revaluation surplus was credited to other comprehensive income and is shown in 'other reserves' in statement of changes in funds. The following table analyses the non-financial assets carried at fair value, by valuation method. Different levels of valuation that could be adopted 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 at 31st March 2015 using

	"Quoted prices in active markets for identical assets (Level 1)"	"Significant other observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
Non-recurring fair value measurements			
Property, plant and equipment	-	-	51,942,263

Had the Authority's land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	2015 P	2014 P
Leasehold land		
Cost	112,219	112,219
Accumulated depreciation	(24,687)	(22,443)
	<u>87,532</u>	<u>89,776</u>
Buildings		
Cost	28,958,849	28,958,849
Accumulated depreciation	(3,861,180)	(2,020,385)
	<u>25,097,669</u>	<u>26,938,464</u>
Total carrying amount	<u>25,185,201</u>	<u>27,028,240</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

9 INTANGIBLE ASSETS

Costs

Balance as at 1 April 2013
 Reclassified as held for sale
 Balance at 31 March 2014 and 31 March 2015

Accumulated amortisation

Balance at 1 April 2013
 Amortisation for the year: - Continuing operations
 - Discontinuing operations

Reclassified as held for sale

Balance at 31 March 2014

Amortisation for the year

Balance at 31 March 2015

Carrying amount

At 31 March 2014

At 31 March 2015

Intangible assets consists of computer software.

3,929,796
(1,188,000)
<u>2,741,796</u>
3,182,352
109,628
169,765
<u>(839,059)</u>
<u>2,622,686</u>
119,110
<u>2,741,796</u>
119,110
<u>-</u>

10 TRADE AND OTHER RECEIVABLES

Contributions receivable from Human Resource Development Fund
 Trade receivables
 Prepayments
 Other receivables

2015
P

6,783,880
 1,424,769
 460,893
 101,225
8,770,767

2014
P

5,951,862
 429,418
 353,563
 187,714
6,922,557

Current 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 2015, trade receivables of P 507,531 (2014: 394,425) were fully performing.

As at 31 March 2015, trade receivables of P917,238 (2014:34,993) 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;

Age analysis of past due but not impaired debtors:

Over 120 days

All asset classes do not contain impaired assets.

2015
P

917,238
917,238

2014
P

34,993
34,993

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

11 CAPITAL GRANTS

Balance at 1 April
Property, plant and equipment acquired from Government subvention (Note 4)
Amortisation during the year
- Continuing operations
- Discontinued operations
Capital assets acquired from projects funds
Reclassified to liabilities directly associated with assets held for sale
Balance at 31 March

2015	2014
P	P
31,847,832	34,371,677
579,416	114,883
(1,814,095)	(2,245,722)
(1,814,095)	(2,056,577)
-	(189,145)
332,508	106,226
-	(499,232)
30,945,661	31,847,832

Capital grants represent grants from the Government utilised for capital expenditure (Note 4).

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.

12 PROJECTS FUNDS

Balance at 1 April
Projects funds received during the year
Capital expenditure during the year
BQA Project operating expenses
Balance at 31 March

2015	2014
P	P
6,307,607	3,113,833
4,700,000	3,300,000
(332,508)	(106,226)
(1,693,047)	-
8,982,052	6,307,607

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. Given below is an analysis of operating expenses incurred during the year.

Expenditure

Advertising and promotion
Printing and stationery
Staff costs
Travelling and accommodation
Workshops and conferences
Project Assets

2015	2014
P	P
106,639	-
9,092	-
553,988	-
356,944	-
630,573	-
35,811	-
1,693,047	-

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

13 OTHER PAYABLES

Accruals
Other payables

<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
6,416,285	6,640,552
2,676,927	669,202
<u>9,093,212</u>	<u>2,309,754</u>

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.

14 CASH AND CASH EQUIVALENTS

Cash on hand
Cash at bank - committed funds per Note 15
Cash at bank

<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
1,264	1,274
129,458	16,238,829
29,112,472	9,537,048
<u>29,243,194</u>	<u>25,777,151</u>

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

Cash on hand
Cash at bank
Bank balances classified as assets held for sale (Note 21)

<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
1,264	1,274
29,241,930	25,775,877
-	636,112
<u>29,243,194</u>	<u>26,413,263</u>

There were no balances denominated in any foreign currency.

15 EMPLOYEES BENEFITS ACCRUALS

Leave pay accrual

Balance at 1 April
Additional accruals recognised during the year
Reductions arising from payments
Leave days advances
Reclassified to liabilities directly associated with assets held for sale (Note 21)
Balance at 31 March

<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
3,151,129	3,468,635
1,368,750	854,705
(79,378)	(301,560)
-	(716,882)
-	(153,769)
<u>4,440,501</u>	<u>3,151,129</u>

Gratuity accrual

Balance at 1 April
Additional accruals recognised during the year
Reductions arising from payments
Gratuity advances
Reclassified to liabilities directly associated with assets held for sale (Note 21)
Balance at 31 March

<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
14,134,310	14,662,183
8,547,868	7,350,312
(69,233)	(1,584,242)
(13,508,344)	(5,657,831)
-	(636,112)
<u>9,104,601</u>	<u>14,134,310</u>
<u>13,545,102</u>	<u>17,285,439</u>

Total employee benefits accruals

Leave pay accrual represents annual leave accrued net of annual leave advanced to employees.

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 P129 458.41 (2014: P16 238 829). During 2014/2015 Stanbic Bank was given notice and funds were transferred from the gratuity call account to the Authority's call account to enable processing of staff terminal benefits when contracts were terminated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

16 RELATED PARTY TRANSACTIONS

The Authority is a parastatal under the Ministry of Education and Skills Development. The Authority entered into the following transactions with related parties.

a) MINISTRY OF EDUCATION AND SKILLS DEVELOPMENT (MINISTRY)

Subvention received from the Government (Note 4)
Projects funds received from the Government (Note 12)

b) HUMAN RESOURCE DEVELOPMENT FUND (HRDF)

The Authority received contribution from the Fund 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.

10% Contribution

c) KEY MANAGEMENT PERSONNEL

Expenditure:
Remuneration

Benefits accruals:
Leave pay accrual
Gratuity accrual
Responsibility allowance accrual

17 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. The maximum liability the Authority was exposed to on this scheme at the reporting date was P1 179 776 (2014: P739 286).

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. The maximum liability the Authority was exposed to on this scheme at the reporting date was nil (2014: P63 081).

There were no other contingent liabilities at the reporting date.

18 FINANCIAL INSTRUMENTS

18.1 Categories of financial instruments

Financial assets

Trade and other receivables (excluding prepayments)
Cash and cash equivalents

Financial liabilities

Trade and other payables excluding non-financial liabilities

<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
24,000,000	14,000,000
4,700,000	3,300,000
<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
29,704,680	-
4,739,669	4,087,382
53,935	177,802
934,515	948,351
612,222	-
<u>1,600,672</u>	<u>1,126,153</u>

<u>2015</u> <u>P</u>	<u>2014</u> <u>P</u>
8,309,874	6,568,994
29,243,194	26,413,263
<u>37,553,068</u>	<u>32,982,257</u>
9,093,212	2,309,754

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

18 FINANCIAL INSTRUMENTS (Continued)

CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or to historical information about counterparty default rates:

Trade receivables

Cash at bank and short term bank deposits

First National Bank

Stanbic Bank

Cash in hand

Total cash and cash equivalent

<u>2015</u> P	<u>2014</u> P
<u>1,424,769</u>	<u>429,418</u>
29,112,472	9,537,048
<u>129,458</u>	<u>16,238,829</u>
29,241,930	25,775,877
1,264	1,274
<u>29,243,194</u>	<u>25,777,151</u>

The Authority only deposit cash with major banks with high quality credit standing and limits exposure to any one counter-party. The Authority has deposits with Stanbic Bank Botswana Limited and First National Bank of Botswana Limited. There are no credit ratings available in Botswana.

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 First Rand Holdings Limited, a company listed on the Johannesburg Stock Exchange.

19 FINANCIAL RISK MANAGEMENT

19.1 Financial risk factors

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and other price risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. Risk management is carried out under policies approved by the board members.

19.1.1 Market risk

(i) Currency risk management

The Authority was not exposed to any significant currency risk as at year end.

(ii) Interest rate risk management

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 2 652 (2014: P 169 300), 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(Cont...)*

for the year ended 31 March 2015

19 FINANCIAL RISK MANAGEMENT (continued)

(iii) Other price risk

The Authority is not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk, and residual value risk.

19.1.2 Credit risk management

The Authority does not engage in any material trading activities. VTF administration fees 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. Credit quality of the financial assets is disclosed in note 18.

19.1.3 Liquidity risk management:

The Authority's capital and operational expenditure is funded by the Government of Botswana in the form of both 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 11.

19.2 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.

19.3 Fair values measurement

The fair values of all financial instruments carried at amortised cost approximate their carrying values reflected in the financial statements. For financial assets and liabilities measures at fair value on a recurring basis, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market observable data, in the absence of such data, internal information that is consistent with the market participants would use in a hypothetical transactions that occurs at the measurement date.

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 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).

There are no financial assets classified as fair value through profit or loss at the reporting date. See note 8 for disclosures of the land and buildings that are measured at fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(Cont...)*

for the year ended 31 March 2015

20 VOCATIONAL TRAINING FUND (VTF)

In accordance with the Botswana Qualifications Authority Act, the Vocational Training fund (VTF) was transferred to the Human Resource Development Council (HRDC) to become Human Resource Development Fund (HRDF) with effect from 1st April 2014. The Authority continues to receive contributions from the Fund to support quality assurance activities at 10% of the collections.

The movement on the VTF account for the year ended 31 March 2014 was as follows: VTF was transferred to HRDC with effect from 1 April 2014.

	<u>2015</u> P	<u>2014</u> P
Opening fund balance	-	594,879,233
Gross collections by BURS	-	257,532,712
Less: 5% BURS commission	-	(12,876,636)
10% Authority administration fees (Note 16)	-	(25,753,272)
Claims/disbursements paid during the year	-	(156,201,229)
Government- Department of National Internship Programme ('DNIP')	-	(20,480,364)
Government- Ministry of Education and Skills Development	-	(207,776,405)
Botswana Chamber of Mines	-	(5,756,641)
	-	15,836,379
Add: Bank interest received (net)	-	439,403,777
Closing fund balance		
Analysed as:		
Collections receivable from BURS	-	56,277,468
Bank balance at year end	-	529,824,915
Administration fees payable to the Authority (Note 6)	-	(5,951,862)
Outstanding claims	-	(140,746,745)
	-	
	-	439,403,776

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

21 DISCONTINUED OPERATION

The Botswana Qualifications Authority and Human Resource Development Council (HRDC) Bills were approved by the National Assembly on the 14 August 2013 and signed into law by His Excellency the President on 4 October 2013. The Minister of Education and Skills Development effected the legislation on 8 November 2013, this marked the start of operations of the HRDC and BQA and the winding up of BOTA and Tertiary Education Council (TEC). The BQA and HRDC started operating on their mandates effective 1 April 2014.

Following the approval and implementation of the Botswana Qualifications Authority Bill in October 2013, the VTF operations were transferred from BQA to HRDC with effective from 1 April 2014, resulting in the operations being disclosed as discontinued operations.

The results of the discontinued operations included in the (deficit)/surplus for the previous year are set out below.

Income

Amortisation of capital grants
Vocational training fund administration fees

Expenditure

Advertising and promotion
Depreciation of property, plant and equipment
Staff costs
Travelling and accommodation
Workshops and conferences
Loss on disposal of property, plant and equipment

Surplus for the year from discontinued operations

Cash flows from discontinued operations

Net cash flows from operating activities
Net cash flows from investing activities
Net cash flows from financing activities
Net cash flows from discontinued operations

Notes	2015 P	2014 P
	499,232	189,145
14	-	25,753,272
	499,232	25,942,417
	-	(180,613)
5	-	(189,145)
4	-	(2,091,970)
4	-	(11,356)
	-	(72,361)
	(499,232)	-
	(499,232)	(2,545,445)
	-	23,396,972
	-	23,396,972
	-	-
	-	-
	-	23,396,972

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont...)

for the year ended 31 March 2015

21 DISCONTINUED OPERATIONS (continued)

Cash flows from operating activities

Surplus for the year
Adjusted for:
Amortisation of capital grants
Loss on disposal of property, plant and equipment

(Decrease)/increase in employee benefits accruals
Net cash inflows from operating activities

Cash flows from investing activities

Interest received

Cash flows from investing activities

Projects funds received

Net cash inflows

<u>2015</u> P	<u>2014</u> P
-	23,396,972
-	(189,145)
-	189,145
-	23,396,972
-	-
-	23,396,972
-	-
-	-
-	-
-	23,396,972

Assets and liabilities classified as held for sale relating to discontinued operations

The major classes of assets and liabilities in respect of the discontinued operations which have been classified as held for sale at the end of the reporting year are as follows:

Assets of disposal group classified as held for sale

Property, plant and equipment (Note 8,9)
Cash and cash equivalents

Liabilities of disposal group classified as held for sale

Capital grants
Employees benefits accruals

Net liabilities associated with assets classified as held for sale

<u>2015</u> P	<u>2014</u> P
-	499,232
-	636,112
-	1,135,344
-	(499,232)
-	(789,881)
-	(1,289,113)
-	(153,769)

22 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE.

At its 7th Meeting held on the 2nd June 2015 the Authority's Board approved the payment of additional responsibility allowance to staff for duties performed during the rationalisation period from April 2014 to March 2015. The total amounted to P 4,400,418. The Annual Financial Statements have been adjusted accordingly.

23 COMMITMENTS

There were no capital or financial commitments at the reporting date.

DETAILED INCOME STATEMENT

for the year ended 31 March 2015

REVENUE

Government subvention

OTHER INCOME

Interest income

Human Resource Development Fund contributions

Vocational Training Fund Administration Fees

Amortisation of capital grants

Registration fees

Other contributions

Miscellaneous

EXPENDITURE

Advertising and promotion

Audit fees - external

- internal

Bad debts

Bank charges

Board fees and expenses

Computer expenses

Depreciation of property, plant and equipment

Entertainment expenses

Examination and allied expenses

Gardening services

HIV/AIDS activities

Insurance

Legal fees

Library books and materials

Maintenance and running costs

Motor vehicle expenses

Office cleaning

Postage and courier

Printing and stationery

Protective clothing

Rates

Research and consultation

2015
P

23,420,584

334,352

29,704,680

-

1,814,095

4,478,220

-

10,500

59,762,431

2014
P

13,885,117

503,714

-

25,753,272

2,245,722

2,742,924

757,500

54,644

45,942,893

1,949,965

196,000

-

-

47,198

310,757

2,344,442

2,503,625

17,001

303,005

71,635

554,404

590,927

225,827

43,052

902,166

314,277

201,598

67,461

661,914

4,076

-

3,705,201

1,902,870

190,150

11,476

6,062

53,385

303,259

1,262,104

2,901,723

10,170

62,066

63,092

569,144

581,479

50,597

48,790

945,135

366,597

366,934

57,582

784,575

3,280

7,076

3,008,732

DETAILED INCOME STATEMENT (Cont)

for the year ended 31 March 2015

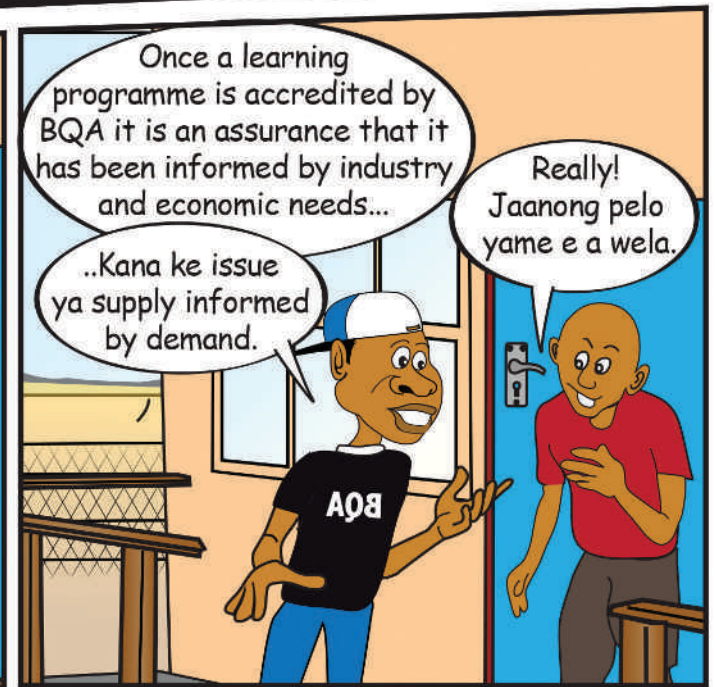
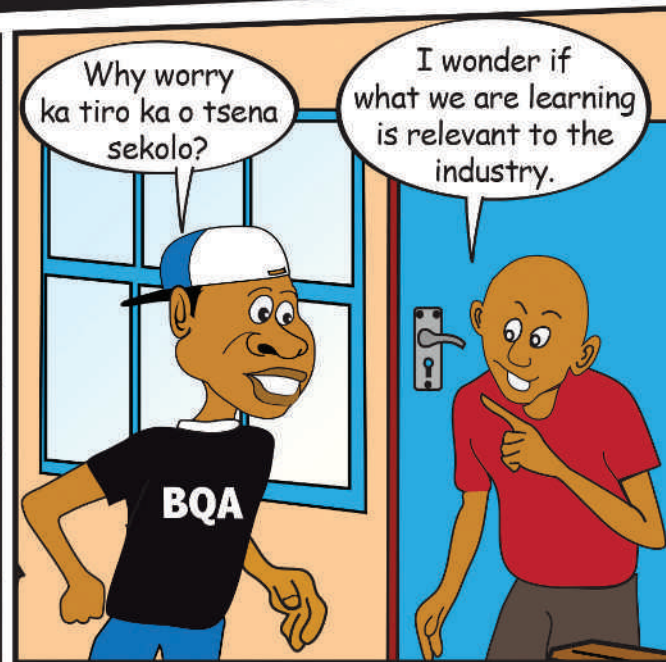
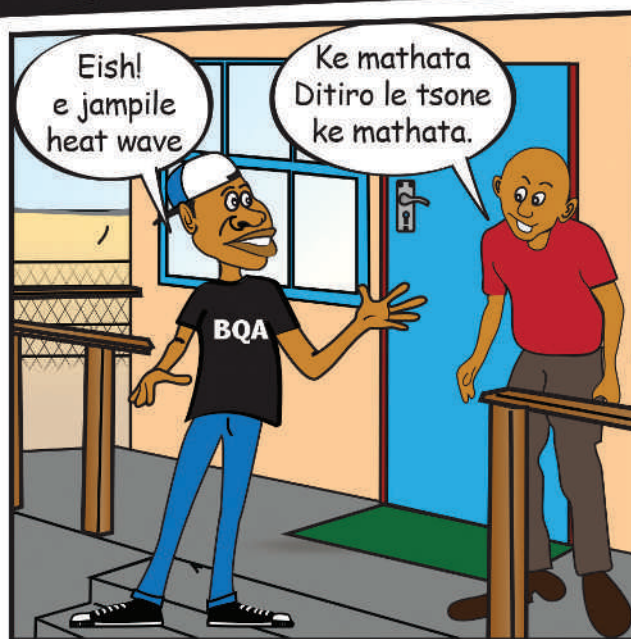
	<u>2015</u> P	<u>2014</u> P
Security	314,204	261,870
Staff costs	42,275,039	33,980,942
Subscriptions	55,741	49,502
Telephone and fax	231,711	214,109
Travelling and accommodation	791,545	1,503,030
Water and electricity	522,075	456,813
Workshops and conferences	1,496,658	1,829,186
	<u>60,701,504</u>	<u>51,851,730</u>
 TOTAL COMPREHENSIVE LOSS FOR THE YEAR	 <u>(939,073)</u>	 <u>(5,908,837)</u>

This detailed income statement does not form part of the financial statements covered by the audit opinion on page 42.

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BOTSWANA
Qualifications Authority

**BOTSWANA QUALIFICATIONS
AUTHORITY LOGO**

BQA OVERVIEW

The Botswana Qualifications Authority (**BQA**), formerly Botswana Training Authority (**BOTA**), is a parastatal organisation under the Ministry of Education and Skills Development established by the Botswana Qualifications Authority Act, No 24 of 2013, to:

- Provide for and maintain the National Credit and Qualifications Framework (NCQF).
- Coordinate the education, training and skills development quality assurance system, from early childhood to tertiary level (lifelong learning). That is for all the 3 subsystems : General Education (GE), Technical Vocational Education & Training (TVET) & Higher Education (HE).

THE LOGO RATIONALE



BOTSWANA
Qualifications Authority



The **segments** in the middle come together to form a **Q** which represents **Qualifications**, this was inspired by the power button which represents energy, power and the start of something new.



The Globe

The Globe also represents the desire to have a globally competitive workforce- graduates.

The Logo

The icon's **3 dominant colours** represent the **three Sub-systems** that the BQA coordinates, which are:

- General Education (GE),
- Technical Vocational Education & Training (TVET)
- Higher Education(HE)

ICON SEGMENTED

TECHNICAL VOCATIONAL EDUCATION & TRAINING: the colour Burgundy because of its association with controlled power & determined ambition .

BURGUNDY: It indicates controlled power, determined ambition and dignified action and is often favoured by the wealthy.
"**C**" represents credit accumulation and transfer to facilitate progression



Radio tuning Knob: A symbol of focusing/ tuning in. The BQA is aligned or focused on providing cutting edge Qualifications System

ORANGE: represents creativity, balance, friendliness and is an inviting colour.

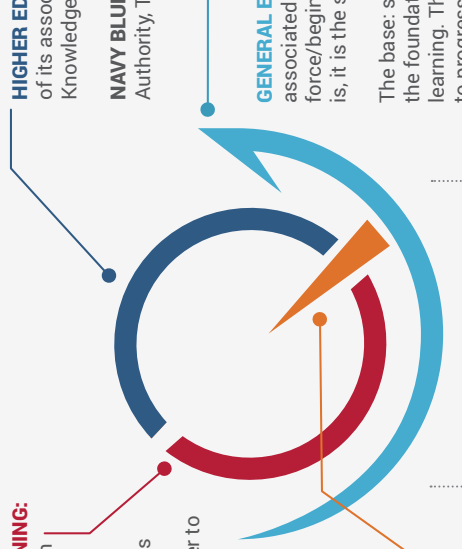
HIGHER EDUCATION: the colour blue because of its association with Maturity, Trust & Knowledge.

NAVY BLUE: Smart, Progress, Launch, Authority, Trust

GENERAL EDUCATION: Aquamarine Blue is associated with Trust and water's life giving force/beginnings which is what General Education is, it is the start/foundation of Education.

The base: symbolises- General Education as the foundation, the arrow indicative of lifelong learning. The arrow pointing upwards refers to progress, success and, that with quality education and training the possibilities are endless.

AQUAMARINE BLUE: Longevity & Eternity Lasting Relationships, Friendship, Life & Harmony



Icon

BOTSWANA QUALIFICATIONS AUTHORITY

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