

2018/2019 Annual Report



Vision

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

Mission

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

Values

- Quality
- Performance
- Integrity
- Innovation
- Customer Focus



"Building a Seamless Education and Training System"

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

- a) provide for and maintain the National Credit and Qualifications Framework (NCQF).
- b) coordinate the education, training, and skills development quality assurance system from early childhood to tertiary level (lifelong learning).

The governance structure of BQA provides for a 13-member Board of Directors chaired by an independent person. There are seven committees that deal with specific functions established to facilitate the work of the Board. These are the Qualifications Framework Maintenance Committee, Finance Committee, Risk and Audit Committee, Human Resource Committee, Tender Committee, Quality Assurance Committee and Appeals Committee.

To ensure efficiency in the execution of its mandate, the BQA structure has two directorates and five departments. These are: the Directorate of the Chief Executive Office, Directorate of the Deputy Chief Executive Officer, Department of Finance and Administration, Department of Business Development, Department of Quality Assurance, Department of National Credit and Qualifications Framework Services and the Department of Human Resource.

According to the BQA Act, the funds of the Authority shall consist of:

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

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



Board members during the mid-term Corporate Strategy Review Workshop .

2. CORPORATE GOVERNANCE STATEMENT

2.1 Board Structure and its Composition

Section 5 of the BQA Act No.24 of 2013 establishes the Board of Directors which is mandated with governing the Authority. The Board exercises its powers in accordance with the Act, the Board Charter and other corporate governance best practices. The Board is responsible for policy and general administration of the Authority.

The Minister appoints a maximum of 13 members considered qualified due to their experience or expertise in the areas relevant to the objects and functions of the Authority. Members may hold office for a term not exceeding three years and are eligible for re-appointment for a further three-year term. The Minister can remove or suspend a member from office should he/she be declared bankrupt. The Minister may also suspend a member who has been convicted of any criminal offence within the period of 10 years immediately preceding the date of his or her appointment. BQA has never experienced any removal, suspension or disqualification of a Board member from office.

2.2 Board Charter and Board Committee Charters

The Board has adopted the Board and Committee Charters as directed by the King III Report on Corporate Governance to guide it discharge its fiduciary duties.

2.3 Board Meetings

In a financial year, the Board meets four times but can meet as often as the business of the Authority may require. In 2018/2019 there were four quarterly meetings of the Board as per the statutory requirement. The schedule of the quarterly Board meetings is communicated at the beginning of the financial year to assist the Board members in their planning.

2.4 Declaration of Interest

Board members are entrusted with public responsibilities and should strive to maintain a high standard of integrity and public confidence in the Board's activities. Section 16 of the BQA Act requires members to disclose in writing at every meeting any interest that could give rise to potential conflict of interest in making and/contributing to the decisions of the Board. A member who has declared interest shall not, unless the Board otherwise directs, take part in any consideration or discussion or vote on the matter.

All the disclosures are recorded in the minutes of the meeting and form part of the Board

records. A member who fails to disclose conflict shall be liable to a fine not exceeding P2, 000.00 or imprisonment for a term not exceeding six months or both.

2.5 Board Remuneration

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

2.6 Delegation

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

2.7 Board Committees

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

The Chairperson and Vice-Chairperson of each Committee are appointed amongst members of the Board as per the BQA Act. The Chairperson of the Board is not a member of any Board Committee. The committees meet at least four times a year, except the Appeals Committee that meets when there are appeals to consider. The committees report and make recommendations to the Board.

Board Committees are comprised as follows:

2.7.1 Finance Committee

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

The committee's duties and responsibilities are to consider and recommend to the Board the Authority's accounting policies in accordance with Generally Accepted Accounting Principles (GAAPs) such as International Accounting Standards issued by the International Accounting Standards Committee (IASC)

It considers and recommends the draft budget estimates, final budget and revised budget, and actual quarterly management reports to the Board for approval at appropriate times. The Finance Committee reviews and makes recommendations to the Board regarding policy issues relating to operating budgets and capital expenditures and monitors the systems established by the Authority to ensure compliance with policies, budgets, strategic plan and/or plan of operation, procedures, as well as laws and regulations which may have significant impact on operations and internal audit reports.

It considers, reviews and makes recommendations to the Board regarding selection of banks and bank accounts and authorised signing officers for approval. It reviews and recommends investment management and employee loan schemes to the Board for approval. The committee ensures compliance with applicable tax requirements and makes recommendations to the Board in respect of all proposed transactions regarding leasing or disposal of real property.

2.7.2 Risk and Audit Committee

The Risk and Audit Committee (RAC) has oversight role with accountability to the Board. The committee is constituted in terms of the principles of sound Corporate Governance as contained in King III and as provided for by the BQA Act, 2013.

The committee assists the Board in discharging its duties through:

- a) Financial Reporting which includes recommending to the Board the appointment of external auditors and assessing the fairness of external audit fees and making appropriate recommendation. The committee assesses the performance of external auditors and makes recommendations to the Board as appropriate. It reviews the annual external audit scope and plan, approves the Auditors' engagement letter and advises the Board with respect to conduct and reporting of the annual audit. It reviews any significant unresolved accounting or auditing problems encountered during external audit and receives assurance on the independence of external auditors. The Risk and Audit Committee ensures that there is cooperation and coordination between external and internal Audit, considers and recommends the draft annual financial statements and auditors' report and Management letter to the Board for approval.
- b) Governance This involves reviewing systems established by the Authority to ensure compliance with policies, budgets, strategic plan and/or plan of operation, procedures, as well as laws and regulations which may have significant impact on operations and reports. The committee monitors and ensures that internal audit function is adequately resourced and has

appropriate standing within the Authority. It reviews policies relating to compliance with the law, regulations, ethics, and conflict of interest, as well as investigation of misconduct and fraud. It also reviews current/pending litigations or regulatory proceedings bearing on the Authority's governance and significant cases of employee conflict of interest, misconduct and fraud.

- c) Risk Management and Internal Control it includes reviewing the Authority's risk management controls, policies and key risks inherent and emerging in the Authority's business as well as the system of internal control necessary to monitor such risks. It obtains reasonable assurance that systems of internal controls are properly designed and effectively implemented. It also reviews Management's steps to implement and maintain appropriate internal control procedures including a review of significant financial controls and adequacy of security of information, information systems and recovery plans.
- d) Internal Audit it exercises oversight role with respect to internal audit activities by recommending to the Board for approval, the appointment and/or removal of Head of Internal Audit. The committee reviews Internal Audit Charter and proposes amendments thereto for submission to the Board for approval, internal audit plans, reports, budgets, schedules, Management responses and corrective action plans from internal audit findings. It reviews policies and procedures with respect to employees' expense accounts including the use of corporate assets.

The reporting lines are clearly defined and provide for direct access to the Chairpersons of the Finance Committee, Risk and Audit Committee and the Board.

2.7.3 Human Resource Committee

The primary responsibility of the Human Resource Committee (HRC) is to assist the Board in fulfilling its oversight responsibilities by reviewing all matters pertaining to the strategic management of human resources within BQA and to provide the necessary recommendations and advice to the Board. In particular, the Human Resource Committee assists the Board in ensuring that BQA attracts and retains competent and engaged employees and that it remunerates all employees fairly and responsibly. HRC assists the Board in ensuring that the BQA's disclosure on human resources management information is accurate, complete and transparent.

2.7.4 Tender Committee

The responsibility of the Tender Committee(TC) is to ensure that all tenders are awarded in a transparent and procedural manner, in order to enhance an effective control environment in the procurement processes of the Authority. The Committee has delegated financial authority that is reviewed from time to time.

2.7.5 Quality Assurance Committee

The Quality Assurance Committee (QAC) provides the Board with objective advice and assurance regarding registration and accreditation of Education and Training Providers (ETPs) and learning programmes. The committee assists the Board in discharging its duties by considering and making recommendations to the Board on applications for registration and Accreditation of Education and Training Providers, awarding bodies and learning programmes presented by the Management Quality Assurance Committee. It considers and makes recommendations for renewal/suspension/ revocation/re-assessment of registration and accreditation of Education and Training Providers, awarding bodies and learning programmes. QAC also considers audit reports presented by the Management Quality Assurance Committee and reviews quality assurance procedures and systems, ensuring that they meet the quality assurance service requirements and reflect best practice. It contributes to the review of the quality assurance instruments and processes within the BQA.

2.7.6 Qualifications Framework Maintenance Committee

The Qualifications Framework Maintenance Committee (QFMC) provides the Board with objective advice and assurance in overseeing the development and maintenance of the National Credit and Qualifications Framework (NCQF). The committee assists the Board in discharging its duties by overseeing the development and maintenance of the NCQF and the implementation of the NCQF policies across the three sub-systems; General Education (GE), Technical and Vocational Education and Training (TVET) and Higher Education (HE).

The committee considers and recommends to the Board for approval NCQF policies, instruments and guidelines for the development and registration of qualifications, Articulation, Recognition of Prior Learning, Credit Accumulation and Transfer System (CATS), Evaluation and Recognition of local and external qualifications and any other related policies. It also oversees their implementation and advises the Board on matters concerning the Framework. The committee assists the Board in discharging its duties by considering and making recommendations to the Board on applications for registration of qualifications.

2.7.7 Board Appeals Committee

The Board Appeals Committee ensures that the Board's functions are performed effectively and in the best interest of the Authority. This committee assists the Board in meeting its fiduciary oversight and related obligations by acting as the internal appeals body for the Authority. It discharges the responsibilities of the Board relating to decisions made against any governing structure of the Authority. The committee does not have supervisory powers over the Board and it reports its decisions regularly to the Board.

2.8 Board Secretary

The Board Secretary facilitates efficiency of the Board by ensuring that it executes its fiduciary duties effectively. The key roles of the Board Secretary are to ensure compliance with statutory and regulatory requirements and advises the Board and Executive Management on their roles and responsibilities. The Board Secretary maintains the Authority's key corporate governance documents, organises, attends and records all Board meetings. The office provides legal advice to Executive Management, Board and Board Committees.

2.9 Compliance

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

2.10 Code of Conduct and Ethics

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

2.11 BQA Governance Framework

The Board commits to providing reasonable assurance in compliance with applicable laws and regulations. It is further committed to the practice of good corporate governance and subscribes to the following:

Table 1: Governance Checklist



BQA Governance Checklist	Adherence
Botswana Qualifications Authority Act No. 24 of 2013	٧
BQA Regulations	٧
Board and Board Committees Codedoft and Ethics	√
Board and Board Committee Charters	٧
BQA Internal Audit Charter	V
Whistleblowing Policy	٧
BQA Corporate Strategy	٧
BQA Quality Manual	٧
BQA Processes Manual	٧



Board members and Executive Management during the mid-term Corporate Strategy Retreat .



3. BOARD OF DIRECTORS



Charles Siwawa CHAIRPERSON



Mmatlala Dube
VICE CHAIRPERSON



Barulaganye Mogotsi **MEMBER**



Mogapi Madisa **MEMBER**



Charles Coyne MEMBER



Joseph Matome **MEMBER**



Tebogo Rapitsenyane **MEMBER**



John David Slater **MEMBER**



Busie Moepi **MEMBER**



Yolinda Baletloa **MEMBER**



Pelotshweu Motlogelwa **MEMBER**



Bonface G. Mphetlhe **MEMBER**



Oupa Masesane **MEMBER**



Consultant facilitating the mid-term Corporate Strategy Retreat.

4. BOARD AND ITS COMMITTEES MEETINGS ATTENDANCE

Attendance of the Board meetings and those of its committees is core to corporate governance. It demonstrates the commitment and accountability of members to the organisation. Most members of the Board and committees were able to attend at least two or more scheduled meetings. The Human Resource and Tender Committees had three scheduled meetings and the Appeals Committee had to sit twice in the year to attend to requests for reconsideration of decisions made by governance structures. In addition, the Board and its committees attended some special meetings to facilitate transition.

Some transfers were effected during the year to augment skills needs of some committees. The tables below show membership of each committee and record the attendance of statutory meetings of the Board and its committees.

4.1 Board of Directors



Chairperson:Mr Charles Siwawa

Table 2: Board of Directors attendance

Name	Jun	Sep	Dec	Feb	Total
Mr Charles Siwawa	Р	N/A	Р	Α	2/3
Mrs Mmatlala Dube	Р	Р	Р	Р	4/4
Mr Barulaganye Mogotsi	Р	N/A	Р	Р	3/3
Mr David Slater	Р	N/A	Р	Р	3/3
Mr Joseph Matome	Α	N/A	Α	Р	1/3
Mr Busie J Moepi	Р	N/A	Р	Р	3/3
Mr Charles Coyne	Р	Р	Р	Р	4/4
Mr Mogapi Madisa	Р	Р	Р	Р	4/4
Mr Boniface G Mphetlhe	Α	Р	Α	Р	2/4
Mr Tebogo Rapitsenyane	Р	Р	Α	Р	3/4
Mr Pelotshweu Motlogelwa	Р	Α	Α	Р	2/4
Mr Oupa Masesane	Р	Α	Р	Р	3/4
Ms Yolinda Baletloa	Р	Р	Р	Р	4/4

A=Apology P=Present N/A=Not a member

Membership of some Board Members expired in the year and were duly renewed.

4.2 Quality Assurance Committee



Chairperson:Mr Tebogo Rapitsenyane

Table 3: Quality Assurance Committee attendance

Name	May	Sep	Nov	Feb	Total
Mr Tebogo Rapitsenyane	Р	Р	Р	Р	4/4
Mr Busie J Moepi	Р	N/A	Р	Р	3/4
Mr Pelotshweu Motlogelwa*	N/A	N/A	N/A	Α	0/1
Mr Charles Coyne	N/A	N/A	N/A	Α	0/1
Mr Olefile Molwane	Р	Р	Р	Р	4/4
Mr Dorcas Phirie	Р	Р	Α	Р	3/4
Prof Frank Youngman	Р	Р	Α	Р	3/4
Mr Modiri Mogopa	Р	Α	Α	Α	1/4
Mr Tebogo Motswetla	Р	Α	Р	Α	2/4
Mr Joseph Moseki	Р	Р	Р	Р	4/4
Mr Clement Matswagothata	Α	Α	N/A	N/A	0/2

A=Apology P=Present N/A=Not a member

4.3 Qualifications Framework Maintenance Committee



Chairperson:Mr Mogapi Madisa

Table 4: Qualifications Framework Maintenance Committee attendance

Name	May	Aug	Nov	Feb	Total
Mr Mogapi Madisa	Р	Α	Р	Р	3/4
Mr Busie J Moepi	Р	Р	Р	Р	4/4
Mr David Slater	N/A	N/A	N/A	Α	0/1
Mr Cassius Mmopelwa	Р	Р	Р	Р	4/4
Ms Masego Marobela	Р	Α	Р	Р	3/4
Dr Oluka Silas	Р	Р	Р	Р	4/4
Mr Boatametse Dimeku	Р	Р	Р	Р	4/4
Ms Dorcas Phirie	Α	Р	Α	Α	1/4
Dr Lekoko Serumola	Α	Р	N/A	N/A	1/2
Ms Ruth Monau	Α	Р	N/A	N/A	1/2

A=Apology P=Present N/A=Not a member

^{*}Mr Pelotshweu Motlogelwa* was appointed to this committee in February 2019

4.4 Risk & Audit Committee



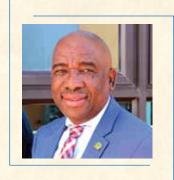
Chairperson:Mrs Mmatlala Dube

Table 5: Risk & Audit Committee attendance

Name	May	Jun	Sep	Nov	Total
Mrs Mmatlala Dube	Р	Р	Р	Р	4/4
Mr Boniface Mphetlhe*	N/A	N/A	N/A	N/A	N/A
Mr Pelotshweu Motlogelwa**	Р	Р	Р	Р	4/4
Mr Tlhobelo Moshodi	Р	Р	Р	Р	4/4
Mr Julian Letlole	Р	R	N/A	N/A	1/2
Ms Segametsi Mafa	Р	Р	Р	Α	3/4
Mr Motabaseyo Lesokola	N/A	Р	Р	Р	3/3

A=Apology P=Present R=Resigned N/A=Not a member

4.5 Finance Committee



Chairperson:

*Mr Pelotshweu Motlogelwa

Table 6: Finance Committee attendance 2018/19

Name	Jun	Sep	Oct	Jan	Total
Mr Joseph Matome**	Р	Р	N/A	N/A	2/2
Mr Charles Coyne	Р	Р	Р	Р	4/4
Mr Sanga Namoshe	Р	Р	Р	Α	3/4
Mr Emang Chibua	Р	Р	Р	Р	4/4
Ms Ontlametse Sebonego	Р	Р	Р	Р	4/4
Mr Christopher Gwere	Р	Α	R	N/A	1/2
Ms. Blessed Davids	R	R	N/A	N/A	N/A

A=Apology P=Present R=Resigned N/A=Not a member

^{*}Mr Boniface Mphetlhe was appointed to this Committee in February 2019. **Mr Motlogelwa has been transferred to the Finance and Quality Assurance Committees in February 2019.

^{*}Mr Pelotshweu Motlogelwa was appointed to this committee in February 2019. **Mr Joseph Matome was Chairperson of this Committee until February 2019. He has been transferred to Appeals and Tender Committees.

4.8 Appeals Committee



Chairperson: Mr Barulaganye Mogotsi*

Table 9: Appeals Committee attendance

Name	May	Dec	Total
Mr Barulaganye Mogotsi*	N/A	N/A	N/A
Mr Mogapi Madisa**	Р	N/A	1/1
Mr Joseph Matome***	N/A	N/A	N/A
Mr Charles Coyne	Р	Р	2/2
Ms Mmamiki Kamanakao	Р	Р	2/2
Dr Onkemetse Tshosa	Α	Р	1/2
Mr Tembo Lebang	Α	Α	0/2

A=Apology P=Present N/A=Not a member

*Mr Mogotsi was appointed to this committee effective February 2019. **Mr Mogapi Madisa was transferred to Tender Committees effective February 2019. ***Mr Joseph Matome was appointed to this Committee effective February 2019.



Corporate Social Responsibility initiative.



Customer Service Manager responding to questions during a Stakeholder Engagement Workshop.



QAC Chairperson officiating at a Stakeholder Engagement Workshop.



One in a series of quarterly Stakeholder Engagement Workshops.

5. BQA MANAGEMENT



Selebo A. Jobe
ACTING CHIEF EXECUTIVE OFFICER



Justice Gaeonale (PhD)

ACTING DEPUTY

CHIEF EXECUTIVE OFFICER



Magdaline T. Motswagolo
DIRECTOR, FINANCE
& ADMINISTRATION



Josius Maluzo
DIRECTOR
HUMAN RESOURCE



Vincent Molefe
ACTING DIRECTOR,
QUALITY ASSURANCE



Mothusi Brian Mooketsi
ACTING DIRECTOR,
BUSINESS DEVELOPMENT



Kerebotswe Matsietsa
ACTING DIRECTOR,
NCQF SERVICES



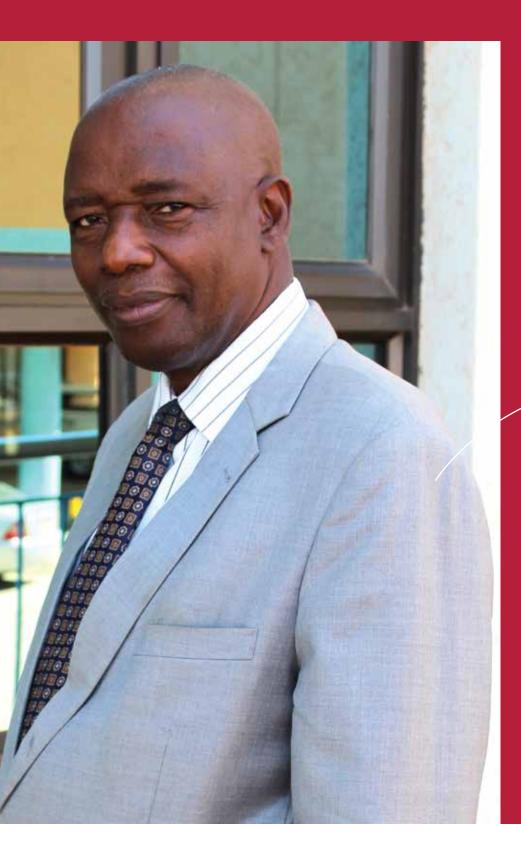
Kennedy Pheko
BOARD SECRETARY



Chandapiwa Mogobe
ACTING MANAGER
STRATEGY



ACTING MANAGER
INTERNAL AUDIT



"The Authority continues to establish and maintain networks and partnerships, both locally and internationally, for quality assurance of education, training and skills development."

6.0 CHAIRPERSON'S STATEMENT

Botswana Qualifications Authority (BQA) is mandated to provide for and maintain the National Credit and Qualifications Framework (NCQF) and to coordinate the quality assurance of the education and training system from early childhood to tertiary level. The BQA Board of Directors continues to be committed to corporate governance requirements as it focuses the organisation to deliver on its transition plan, Vision 2036 and NDP 11 goals to ensure that Botswana's education and training system produces a competitive human resource for a knowledge based economy.

The first phase of the transition involved registration and accreditation of Education and Training Providers (ETPs). It is evident from the mid-term review of the BQA Strategy that it has made significant progress in the registration and accreditation of Technical and Vocational Education and Training (TVET) together with Higher Education (HE) ETPs from the legacy system. The Authority continues to establish and maintain networks and partnerships, both locally and internationally, for quality assurance of education, training and skills development. This will ensure robustness, competiveness and comparability of our Education and Training System. The regulation of General Education is yet to commence after the necessary preparatory arrangements, including capacity building of the sub-system, to register and accredit with BQA.

During the fourth quarter of 2018, BQA commenced registration of qualifications on the NCQF, which represents the second phase of the transition. Registration of qualifications is expected to build momentum during 2019/20 to facilitate Phase 3 of the transition, which is accreditation of learning programmes. This will help address challenges of the country's Education and Training System, such as equity, access, relevance, quality and lifelong learning since development and registration of qualifications and subsequently learning programmes, involves industry, professional bodies and other stakeholders.

Over the past three years, implementation of the five-year strategy was done with a focus to improve learner and societal outcomes. The BQA 2016-2021 Strategy, dubbed 'Towards 2021', was reviewed to analyse and reflect on the progress made in its implementation focusing on priorities for the remaining planning cycle of 2019-2021.

The exercise entailed consideration of current realities; achievements, stakeholder expectations and challenges. Some key principles were used to determine strategic priorities (initiatives) such as alignment to national priorities, stakeholder expectations, BQA and client capacity, sustainability and impact. To a great extent, BQA is on track in terms of delivering on its mandate through provision of services in line with transition goals. The Board is conscious of the challenges of the transition, hence maintenance of the risk matrix and mitigation strategies. As the transition progresses, stakeholder engagement will be of key importance.

The Authority is committed to responding to stakeholder needs within its power and will give the necessary policy advice as the situation demands. One such response was approval of 50% subsidy on BQA Fees for 100% youth-owned companies. It was further approved that at the time of the review of the BQA Act, a dispensation for special groups be included in the Act. The Authority is currently looking at its Act and a comprehensive review will follow in due course. The need for continued stakeholder engagement cannot be overemphasised, and it will continue to play a significant role in the execution of the BQA mandate.

I would like to express my special appreciation to the Ministry of Tertiary Education, Research, Science and Technology, the BQA Board, learners, subject matter experts, stakeholders, management and staff for the support during the transition period. This transition may, at a glance, look simple in approach but there are challenges that have to be balanced and overcome to give a sustainable solution in the horizon for the nation. The Board is confident that, given the current projected timelines, the BQA mandate will be delivered in full.

Charles Siwawa

cesansa



 ${\it Staff Wellness\ initiative\ themed\ : Re\ ngata\ ya\ dikgang.\ We\ are\ BQA.}$



registration and accreditation process is rigorous enough to address the challenges of low quality and lack of relevance of the learning programmes."

7.0 CHIEF EXECUTIVE OFFICER'S STATEMENT

Performance during the 2018/19 financial year was anchored on the Authority's responsibility to deliver on the overarching goal of quality assurance of Botswana's education and training system. Since establishment in 2013, Botswana Qualifications Authority has made progress in developing, implementing and maintaining the NCQF. With the NCQF in place, learners in Botswana will be equipped with the relevant knowledge, skills and competencies required to thrive in the 21st century. BQA remained customer- focused through user-friendly service provision. The One-Stop Customer Service Centre and the online services provide the necessary ambiance and convenience to customers.

Key to delivery of services was the implementation and monitoring of the Transition Plan, which was later reinforced by the midterm review of 2016-21 Corporate Strategy. The review highlighted areas of success and considerations for improvement. The Authority made reasonable strides in its quality assurance role through registration and accreditation of Education and Training Providers, Awarding Bodies, as well as Assessors and Moderators. Beyond the registered and accredited entities from the legacy Botswana Training Authority (BOTA) and Tertiary Education Council (TEC), the Authority recorded a number of new entrants in the TVET and HE categories. During the reporting period, the Authority registered the first qualifications on the NCQF, as well as accrediting the first learning programmes based on qualifications that are registered on the NCQF. The quality assurance standards that providers are subjected to have been benchmarked to ensure international comparability and recognition. The success rate points to growth and an enhanced education system.

I am happy to assure stakeholders that the BQA registration and accreditation process is rigorous enough to address the challenges of low quality and lack of relevance of the learning programmes. This will ensure that the country's skills are aligned to the needs of industry, and thus effectively contribute to the building of a knowledge-based society. Learning programmes are reviewed every five years to cater for emerging learner and industry needs. Monitoring and auditing are done post registration and accreditation to

ensure continual improvement and adherence to set standards and norms of practice. The processes of registration and accreditation require expertise to deliver on quality outcomes per sub-system. BQA continues to collaborate with different stakeholder groups to deliver on its mandate. Through partnerships with regional and international quality assurance bodies and regulatory entities, the Authority is able to access experts to augment the local pool. In facilitating development of qualifications for registration on the NCQF, BQA promotes and supports collaboration between qualification developers who are interested in developing similar qualifications to work together and merge qualifications with insignificant differences and submit one jointly developed qualification for registration, hence advocacy for Cooperatives for Qualifications Development.

BQA ensures learner protection by regularly engaging with ETPs and student representatives to educate them on its mandate with emphasis on the role of Student Representative Councils in the governance structures. The Authority will continue to deliver excellent regulation of the education and training system to ensure the NCQF better meets the needs of learners, ETPs and industry, both locally and internationally, to realise the vision of the National Human Resource Development Strategy.

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

Selebo A Jobe

Ag Chief Executive Officer





BQA 2018/19 EXHIBITION STALLS



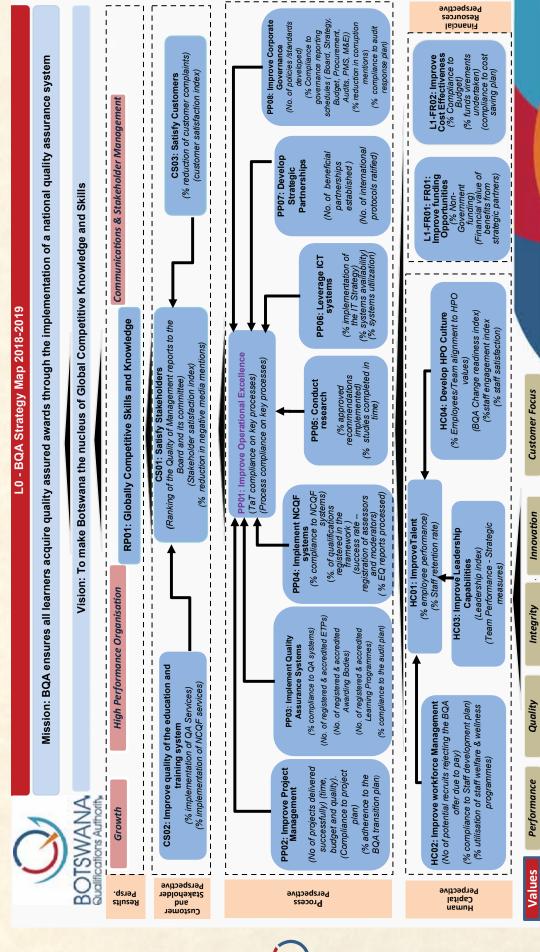
8.0 OVERVIEW OF THE 2018/19 PERFORMANCE

The Strategy Map provides structure and direction for the Authority's annual performance. The organisational performance is monitored and evaluated at the end of the year against measures and targets of the strategic plan.

This section will therefore highlight the roadmap, achievements in key services of the Authority, which are evaluation of qualifications, registration and accreditation as well as post registration and accreditation services. It also highlights achievements in key support services such as, capacity building, customer service, communications and public relations, human resource management, quality management system, as well as partnerships and networks.

8.1 THE STRATEGY MAP; ROADMAP

BQA strategy management includes tracking of key indicators which are directly linked to annual corporate objectives. Review of performance is conducted to determine the level of success in the various service activities and to reduce the impact of unmet targets on customer outcomes. Each year, a Strategy Map is drawn to guide and direct corporate performance. The Strategy Map 2018-19 was as shown below.



A thorough analysis of the organisational performance, which will be detailed under the different services areas, has been done with specific emphasis on implication to stakeholders and impact on the system. An action plan with clear timelines and deliverables has been developed for implementation in the next financial year.

8.2 TECHNICAL SUPPORT SERVICES

This section details technical support services offered to stakeholders to support the Authority in implementation of its mandate.

8.2.1 Support for the Development and Maintenance of the National Credit and Qualifications Framework (NCQF)

Development and maintenance of an integrated National Credit and Qualifications Framework (NCQF) is one of the critical components of the Authority's overarching mandate. The responsibility involves mobilising and building capacity of industry to develop qualifications for the three sub-frameworks of General Education (GE), Technical and Vocational Education and Training (TVET), as well as Higher Education (HE). Once the qualifications are developed, the Authority, (i) quality assures, (ii) validates and registers them on the NCQF. The registered qualifications become public property and are freely accessible. They serve as national standards and guide the development of associated learning programmes to be offered in registered and accredited ETPs. The learning programmes, however, are private property of their respective developers and can not to be used without their owners' consent.

8.2.2 Training of Subject-Matter Experts for Validation of Qualifications

BQA collaborates with experts in different learning disciplines to validate qualifications to ensure that they are relevant to the needs of their respective sectors and the economy, and that they are internationally comparable. Therefore, BQA constantly identifies individuals who meet the set criteria to train and serve as experts. As at 31st March 2019, the Authority had trained 151 experts, against a target of 140, in addition to 55 trained in the previous year, for validation of qualifications in several sub-fields and domains. These experts have effectively assisted BQA with validation of qualifications and have enabled the Authority to register qualifications on the Framework. The Authority will continue to train more experts to cover other sub-fields and domains. This will facilitate registration of more qualifications in the set turnaround times. The Authority is also considering using

international experts to assist with validation, especially in areas where there are no subject matter experts available locally.

8.2.3 Engagement of Industry in Qualifications Development and Endorsement

Industry is a key partner in the development and maintenance of the NCQF. Therefore, the Authority collaborates with industry to ensure that the qualifications and learning programmes are relevant to the economic needs of the country.

The Authority regularly engages regulatory and professional bodies to create awareness of the NCQF and to build their capacity to effectively endorse and pre-approve qualifications. The Authority will continue to engage industry to ensure relevance of qualifications.

8.2.4 Preparations for implementation of Recognition of Prior Learning and Credit Accumulation and Transfer System

Recognition of Prior Learning (RPL) is a process of identifying, assessing, and recognising what a person already knows and can do. However such learning was acquired (including formal, informal, and non-formal) without taking them through a formal or additional learning process. RPL is regarded as one of the critical mechanisms for achieving equity and acceleration of access to education and training.

A Credit Accumulation and Transfer (CAT) System is an arrangement by which the diverse features of both credit accumulation and credit transfer are combined to facilitate lifelong learning where;

"credit" means the amount of learning contained in a qualification or part qualification whereby one (1) credit is equated to ten (10) notional hours of learning.

"credit accumulation" means the totalling of relevant credits required to complete a qualification or a part qualification.

"credit transfer" means recognition for study already completed, which counts towards further study. It is a recognition based on formal arrangements which have been negotiated between ETPs and/or based on equivalence as established by compatible accreditation, qualification or credit transfer systems.

The National RPL and CAT policies have been developed and are yet to be approved for implementation. The policies will guide RPL and CAT implementation in Botswana.

The Authority has developed a strategy for the implementation of RPL and CAT during this reporting period. The strategy recognises RPL assessment as a relatively new concept in Botswana and requires BQA to train ETPs and to build their capacity to implement these

assessments. A systematic approach to RPL implementation is, therefore, critical to allow for institutional autonomy, contextual practices, and an overall agreed-upon approach that protects the integrity of qualifications as well as the award of credits.

The Authority conducted 10 workshops for different stakeholders to guide and support RPL and CAT implementation during this reporting period. These included seven (7) regional workshops for RPL and CAT advocacy, which targeted ETPs and three (3) RPL tools design workshops for selected ETPs, as a pilot project. More ETPs will be included in the next reporting period and RPL advisor-training workshops will be conducted for all the participating ETPs to complete the support rendered by BQA.

BQA will play a quality assurance role through monitoring, auditing and evaluating the implementation of RPL practices.

A pilot on Credit Accumulation and Transfer (CAT) implementation is ongoing at Botswana Open University (BOU) and this will, henceforth, inform the project.

8.2.5 Capacity Building

The Authority continued with capacity building of Education and Training Providers, and Awarding Bodies to support the uptake of the National Credit and Qualifications Framework (NCQF) for outcomes-based education and training system. The Authority conducted 48 workshops, which covered seven (7) Higher Education (HE) and forty-one (41) Technical and Vocational Education and Training (TVET) providers. The exercise resulted in a significant increase in submission of applications for registration of qualifications on the NCQF as at 31st March 2019. A total of 21 qualifications have since been successfully registered.

Priority was given to HE and TVET providers this financial year. Capacity building for General Education (GE) will start in 2019/20. This initiative will target Regional Education Offices and senior secondary schools in preparation for the implementation of multiple pathways.

8.3 EVALUATION, REGISTRATION AND ACCREDITATION SERVICES

Botswana's Education and Training system is transiting to a system based on the National Credit and Qualifications Framework (NCQF). The implementation started on 4th January 2017 and it covers registration and accreditation of Education and Training Providers (ETPs), assessors, moderators, and awarding bodies, as well as accreditation of learning

programmes across all levels. The accreditation process covered the legacy systems and new entrants. It also covers registration of qualifications on the NCQF. The transition is in three Phases as shown below.

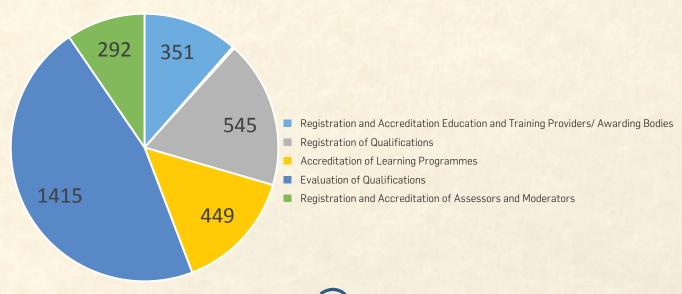
Table 3: The Transition Phases

Phase	HE and TVET including consultancies	General Education
Registration and Accreditation of ETPs	2 December 2018	2 December 2020
Registration of Qualifications	2 December 2019	2 December 2021
Accreditation of Learning Programmes	2 December 2020	2 December 2022

The Online Applications Submission Portal introduced towards the end of 2017/2018 was fully implemented in this reporting period. It has helped the Authority to provide a quicker, cheaper, convenient and responsive service. It has been well-received by the customers and has significantly enhanced their experience with the Authority. Key among many of its benefits is convenience, as well as reduction in printing, postage and travel costs since customers are able to submit applications from wherever they are and respond to request for additional information with ease.

Below is the analysis of applications received during the reporting period.

Figure 2: Analysis of applications



A large proportion of the applications received were for evaluation of qualifications (1415) followed by registration of qualifications on the NCQF (545). Almost all the learning programmes received were non-credit bearing short courses. A total of seven (7) credit bearing learning programmes were received owing to the low number of qualifications registered on the Framework. In addition, since the transition deadline for submission of existing learning programmes is 2 December 2020 it is anticipated that the numbers will increase in the financial years 2019/2020 and 2020/2021.

8.3.1 Evaluation of Qualifications

Evaluation of Qualifications (EQ) is a process of analysing qualifications in terms of their country of origin context and points of difference and/or similarity in relation to local qualifications and context. This process leads to recognition of the evaluated qualification. Recognition is the formal acceptance of the appropriateness of a qualification for a specific purpose. The process facilitates mobility of graduates for employment purposes as well as access to and progression within the education and training system both locally and internationally. It assists learners in articulation/progression within and across learning pathways.

The evaluation is conducted against set criteria to determine significance, and confirm the authenticity, validity and credibility of qualifications documents submitted. These were benchmarked from mature systems used by other competent verification bodies. They have also been influenced to a larger extent by international and regional conventions specific to recognition of qualifications, such as the Addis Convention of 2014. The evaluated qualifications are kept in a register and serve as precedents. The transparency of information shared among all stakeholders in the evaluation of qualifications process promotes collaboration among those involved in the processes.

In the year 2018/2019, a total 1700 qualifications were evaluated, compared to 855 in the previous year. The applicants' reasons for evaluation included; further studies, employment, and immigration. Table 4 indicates the number and origin of qualifications evaluated per quarter.



Table 4: Number and origin of qualifications evaluated per quarter

Quarter	Local	External	Total	
1	6	178	184	
2	169	345	514	
3	132	438	570	
4	75	357	432	
TOTAL	382	1318	1700	

The figures indicate that the Authority continued to receive more of external than local qualifications for applications for evaluation in the year 2018/2019.

Table 5 shows that the highest percentage (20.65%) of evaluated external qualifications originated from United Kingdom, as was the case in the previous year (22.2%). This could be attributed to the fact that some local ETPs offer learning programmes leading to qualifications awarded by awarding bodies in the United Kingdom. Similarly, a significant percentage (14.5%) of evaluated qualifications originated from South Africa because some local ETPs offer learning programmes leading to qualifications awarded by awarding bodies in South Africa. In addition to this, close proximity of South Africa to Botswana facilitates mobility of learners and workers.

Table 5: Evaluated Qualifications by Country of Origin

COUNTRY	Q1	Q2	Q3	Q4	TOTAL	%
Belgium	0	0	0	1	1	0.06
Brazil	0	0	1	0	1	0.06
Cameroon	0	0	1	0	1	0.06
China	22	22	19	21	84	4.94
Cuba	0	0	0	1	1	0.06
Egypt	0	0	0	1	1	0.06
Germany	0	0	1	1	2	0.12
Grenada	0	0	1	0	1	0.06
Hungary	0	0	0	1	1	0.06
Iran	0	1	0	0	1	0.06
Italy	0	0	1	1	2	0.12
Kenya	1	6	3	2	12	0.71
Lebanon	0	1	0	0	1	0.06
Malawi	0	1	0	5	6	0.35
Namibia	0	3	0	1	4	0.24
New Zealand	1	0	0	0	1	0.06
Norway	1	0	0	0	1	0.06
Philippines	3	1	0	0	4	0.24
Romania	0	0	1	0	1	0.06
Serbia	0	0	1	0	1	0.06
South Africa	24	75	82	63	244	14.35
	0	0	2	0	2	0.12
Spain Sweden	0	0		0	1	0.06
Uganda	2	1	4		11	0.65
				4		
United States Of America		18	31	19	77	4.53
Zimbabwe	13	43	59	42	157	9.24

TABLE 6: Number of qualifications from SADC countries

Country	Botswana	Congo (DRC)	Lesotho	Malawi	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe	Other Africa	Other	тотаг
No. of Quals	382	3	1	6	4	244	5	9	22	157	37	830	1700
%	22.47	0.1 8	0.06	0.35	0.24	14.35	0.29	0.53	1.29	9.24	2.18	48.82	100.0

Table 6 focuses on the number of evaluated qualifications which originated from countries within the Southern African Development Community (SADC) Region.

In the year 2018/2019, The Authority evaluated 830 (49%) qualifications from outside the African continent and 870 (51%) from within the continent. Within the Southern African Development Community (SADC) region, the highest number (22.47%) of evaluated qualifications originated from Botswana. These were followed by qualifications from South Africa (14.35%) and Zimbabwe (9.24%). A few qualifications were received from other SADC countries (2.18%).

Table 7 shows distribution of applications for EQ by continent.

Table 7: EQ application by continent

CONTINENT	No. of Qualifications Evaluated
Africa	870
Europe	379
Asia	323
North America	87
South America	1
Oceania(Australia and New Zealand)	40
TOTAL	1700

A total of 870 qualifications were evaluated from $\,$ Africa representing 51 % the evaluations.

8.3.2 Registration and Accreditation

The section highlights registration and accreditation of ETPs and awarding bodies, accreditation and recognition (non-credit bearing) of learning programmes, registration of qualifications and registration of assessors and moderators.

8.3.2.1 Registration and Accreditation of Education and Training Providers in Higher Education (HE)

The focus during this reporting period was on registration and accreditation of ETPs, which is Phase 1 of the transition, with attention on TVET and Higher Education subsystems. The transition for General Education subsystem is yet to start as consultations on commencement of its regulations, tools and instruments are ongoing. There were 45 HE ETPs, from the legacy tertiary education system. Table 8 shows summary of the status of this exercise as at 31st March 2019.

Table 8: Status of transition of HE ETPs as at 31st March 2019

Status	Private	Public	Total
Registered and Accredited	16	12	28
In process	3	9	12
Application Not yet	1	0	1
Received			
Discontinued	0	3	3
Rejected	0	1	1
TOTAL	20	25	45

The discontinued ETPs are Deborah Retief School of Nursing, Francistown College of Education and Maun Technical College in Higher Education system. Maun Technical College operates as a TVET Provider.

A total of 18 applications for new HE ETPs registration and accreditation were received, and 10 concluded.

Table 9: Status of new HE ETPs

Status	Private	Public	Total
Registered and Accredited	9	1	10
In process	7	0	7
Rejected	1	0	1
TOTAL	17	1	18

The applications that are in process will be concluded in the next financial year. There is no waiting period for rejected applicants, therefore they can reapply immediately.

8.3.2.2 Registration and Accreditation of TVET Education and Training Providers

The Authority had received a total 291 TVET applications as detailed below.

a) Conventional TVET ETPs

A total of 77 applications from conventional TVET ETPs were received and their statuses are as detailed below.

Table 10: Conventional TVET ETPs

Status	Private	Public	Total
Registered and Accredited	20	2	22
In process	10	39	49
Rejected	5	1	6
TOTAL	35	42	77

b) Consultancies

A total of 190 applications from TVET Consultancies were received and their statuses are as detailed below.

Table 11: Consultancies

Status	Private	Public	Total
Registered and Accredited	95	4	99
In process	80	0	80
Rejected	10	1	11
	185	5	190

c) Workplaces

A total of 17 TVET Workplace applications were received and their statuses are as detailed below.

Table 12: Workplaces

Status	Private	Public	Total
Registered and Accredited	5	1	6
In process	8	0	8
Rejected	3	0	3
TOTAL	16	1	17

d) Non-Governmental Organisations

A total of 7 TVET NGO Provider applications were received and their statuses are as detailed below.

Table 13: Non-Governmental Organisations

Status	NGO
Registered and Accredited	2
In process	4
Rejected	1
TOTAL	7

8.3.2.3 Registration and accreditation or Recognition of Awarding Bodies

The Authority received a total of five (5) applications for registration and accreditation of local Awarding Bodies, and four (4) have been concluded. In addition, the Authority received a total of seven (7) applications for recognition of Awarding Bodies.

Table 14: Status of Awarding Bodies

Status	ACCREDITA	TION	AB of External	TOTAL
			Origin	
	Private	Public		
Registered and	1	3	6	10
Accredited	411-18			
/Recognised				
In process	0	1	1	2
Rejected	0	0	0	0
TOTAL	1	4	7	12

Recognition of Awarding Bodies covers their qualifications registered in their country of origin. The qualifications are not registered on the NCQF. However, these are mapped on the NCQF.

8.3.2.4 Registration of assessors and moderators

A total of 234 applications for assessors and moderators were received and processed as shown in Table 15.

Table 15: Processed assessor and moderator applications

CATEGORY	RECEIVED	REGISTERED	IN PROCESS	% Registered
Assessors	179	145	34	81
Moderators	55	44	11	80
Total	234	189	45	80.5

The applications in process will be concluded during the first quarter of the next financial year.



8.3.2.5 Registration of qualifications

This is the second phase of the transition. It follows the registration and accreditation of ETPs which was due on 2nd December 2018. This phase is expected to be concluded by 2nd December 2019 to facilitate accreditation of learning programmes. It should be noted, however, that it is expected to continue post due date to cater for emerging industry needs. A total of 545 applications were received, and processing of 301 had commenced. The rest will be processed in the next financial year.

The achievement in this area is as detailed below.

Table 16: Update on registration of qualifications

Status	Number of Qualifications
Registered	21
Rejected	1
With Approval Structures	25
Withdrawn	9
In Process (Checked)	245
Total	301

As at 31st March 2019, the Authority had registered a total of 21 qualifications on the National Credit and Qualifications Framework which was, in essence, an early start of this phase of the transition. These were for the Higher Education sub-framework.

Table 17: Number of qualifications by Fields of learning

Field of Learning	Number of Qualifications
	by field of learning
Business, Commerce and Management Studies	12
Education and Training	3
Generic Skills	1
Health & Social Services	1
Information & Communication Technology	3
Services	1
Total	21

Once a qualification is on the Framework, an application can be made for accreditation of learning programmes from legacy system or new ones.

8.3.2.6 Accreditation of learning programmes

The Authority received a total of 449 applications for accreditation of learning programmes. Nine (9) were based on the registered NCQF qualifications. Four (4) of the programmes have since been accredited. ETPs have been encouraged to apply for accreditation of learning programmes against already registered qualifications. A total of 440 applications for non-credit bearing short courses were submitted. Of these, 259 have been processed; 84 have been recognised, 15 have been rejected and 160 were in progress at the end of the reporting period. A total of 181 applications were pending and needed submission of additional information. The Authority will refine the process of recognition of non-credit bearing short courses and the necessary tools and instruments will be reviewed in the next financial year.

8.4. INSTITUTIONAL AUDITS

The Authority undertakes monitoring and auditing of accredited ETPs to ensure continued compliance with the requirements. During the review period, 51 ETPs were audited, and of these 21 were audited for purposes of addressing customer complaints while 30 were audited for continuous compliance to set quality standards.

8.5 APPEALS

BQA has established a Board Appeals Committee to deal with appeals against decisions made by the Board. However, this is not the final stage of the appeals process, since there is yet another structure set up by the Ministry of Tertiary Education, Research, Science and Technology.

One (1) appeal was received, and has been concluded.

8.6 PARNERSHIPS AND NETWORKS

The Authority partners and collaborates with other regulatory bodies to ensure harmonisation of the registration and accreditation activities in the country. To this end, the Authority continued its partnership with the Engineers Registration Board, and the Botswana Health Professionals Council. In the reporting period, the Authority started collaboration with the Botswana Accountancy Oversight Authority in the registration of qualifications in this industry. These partnerships and collaborations will ensure acceptability of the graduates for the regulated professions by both the regulators and employers. To ensure international comparability of Botswana's education and training system, BQA participates in the activities related to the implementation of the Southern African Development Community Qualifications Framework (SADCQF). The implementation of the SADCQF is done through six programmes driven by member states as follows:

- a) Governance (SADC Secretariat);
- b) Development and alignment of National Qualifications Frameworks (NQFs) to SADCQF (South Africa);
- c) Verification of Qualifications (Eswatini);
- c. Quality Assurance (Botswana);
- d. Articulation and Recognition of Prior Learning (RPL) and Credit Accumulation and Transfer (CATS) (Namibia);
- e. Communication and Advocacy (Zambia).

Furthermore, the Authority collaborated with other regional quality assurance agencies. This allowed the Authority access to experts within the region, and facilitated capacity building of BQA employees through exchange programmes. The Authority collaborated with Zambia Qualifications Authority, Namibia Qualifications Authority,

Seychelles Qualifications Authority, Lesotho Council on Higher Education, and Zimbabwe Council on Higher Education. In addition to collaboration with regional quality assurance agencies, the Authority participated in activities of international networks, including the Southern African Quality Assurance Network (SAQAN), the International Network for Quality Assurance Agencies in Higher Education, and African Verification Network. The importance of continuous engagement with key stakeholders during the transition period is pivotal. The Authority continued its engagement fora with the Business Botswana, Botswana Tertiary Education and Training Providers, and the student leadership to provide regular update on the transition.

8.7 CUSTOMER SERVICE

BQA is a customer-focused organisation and has, as a result, positioned itself towards serving the needs of its customers. The Authority believes that being customer-focused will help ensure overall success in the delivery of its mandate. BQA, therefore, strives to ensure that the customer is put first at all touch points and that the customer's experiences are made memorable.

8.7.1 Customer satisfaction

The Authority continuously monitors customer satisfaction to ensure that the service it provides meets and surpasses customer expectations.

The average customer satisfaction level is 59% against a set target of 87% in this reporting period. There has been a decrease from the previous year. The decrease may be attributed to the change in measurement tools and target audience. The Authority decided to conduct after service surveys with an intention to capture feedback as experienced on the entire customer journey for Evaluation of Qualifications and ETP registration and accreditation.



Graph 1: Average Customer Satisfaction Level 2018/19

8.7.2 Customer Complaints

The Authority received a total of 37 complaints, 23 (62%) of these were institutional complaints while 14 (38%) were on BQA services. Institutional complaints are those raised against Education and Training Providers.

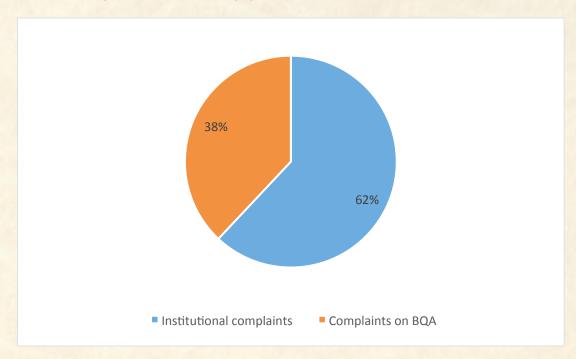
Below are the common complaints:

- a) Lack of resources (staff, facilities and equipment)
- b) Assessment (delayed results)
- c) Programme delivery (some modules not offered when they are due)
- d) Non-recognition by professional bodies

A total of 23 (62%) complaints were resolved against a set target of 55%. This could be attributed to the complex nature of the complaints and the number of players involved in their resolution. The process will be revised to identify possible bottlenecks.

A high proportion of complaints on BQA service were on delayed processing of applications for evaluation of qualifications. Most of these were submitted in the first quarter when the Authority was experiencing an influx of applications for this service. The interventions by the Authority to argument staff in this service area significantly improved the turnaround time and reduced the number of complaints.

Figure 3: Analysis of complaints by type



8.8 COMMUNICATIONS AND PUBLIC RELATIONS

In an effort to keep stakeholders informed of the transitional arrangements, BQA carried out quarterly consultative workshops with Education and Training Providers in Higher Education and Technical and Vocational Education and Training, student leadership representatives and the media. These consultations focused on progress updates on accreditation of ETPs, development and registration of qualifications, students' enrolments, service delivery feedback, developments within BQA regulatory environment, finalisation of key instruments, as well as challenges and mitigating strategies. Public education on the BQA mandate was achieved through participating in national annual events that have high audience reach. The various events include the Business Botswana Trade Fair, Human Resource Development Council (HRDC) Fair, Consumer Fair, Independence Celebration and the Career Evaluation workshop. As a way to increase brand visibility, collaborative partnerships were established with Business Botswana, Botswana Association of Private Tertiary Education Providers (BAPTEP), Botswana National Union of Students (BONUS), Duma FM, Yarona FM, Hospitality and Tourism Association of Botswana (HATAB), Botswana Examinations Council (BEC) Excellence Awards and Youth Awards.

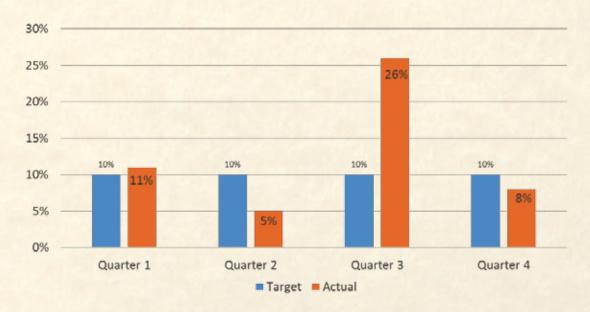
BQA uses social media platforms to interact with clients, as well as advertise and communicate its various activities. This year saw the establishment of BQA Skype and

revamping of the LinkedIn page. Skype is used to communicate with international clients, especially at Customer Service in guiding them meet the requirements for registration and accreditation. The Authority continues to interact with its clients through the existing social media platforms which are Facebook, Twitter and WhatsApp. Facebook has the biggest following of 28 393 (28% growth compared to last year) and it is the most preferred communication platform by the youth. This has increased the corporate footprint and ensured fast and effective relaying of messages. The link to other bigger pages like the BWGovernment and the Ministry of Tertiary Education Research Science and Technology pages has also assisted a great deal in reaching far and wide.

Inclusion of media representatives in the quarterly stakeholder consultation has led to a reduction in negative media coverage. The media is kept up to date and afforded the opportunity to interact with Business Botswana Education Sector, student leaders and ETPs. This gives them a more balanced picture of the transition milestones and challenges.

The Authority realised an average of 13% negative media mentions against a set target of 10%. Negative media mentions are both direct and indirect headlines implying wrongdoing or slips on the part of the Authority. More activities will be done to reduce negative media mentions. These include meeting turnaround times, media engagements, improving quality of service, and continuous engagement with stakeholders. Graph 2 shows quarterly negative media mentions.

Graph 2: Quarterly negative media mentions



The negative coverage was mostly on quality assurance issues; accreditation, customer complaints, appeals, and failure to attend a court case in Francistown. The issue of unaccredited learning programmes from the legacy tertiary education system remains a critical concern. Registration and accreditation of Brigades and Technical Colleges and accreditation of their learning programmes was another concern. In Quarter 3 the negative media coverage was on alleged non-compliance by some BQA accredited ETPs. There have been several stakeholder engagements to educate customers, students, the media, parents, community leaders, councilors and the general public on the BQA mandate. More initiatives will continue in the next financial year. There is need to measure stakeholder satisfaction index, and this is planned for the next financial year to inform process reengineering and consequently enhanced service delivery.

8.9 MANAGEMENT SYSTEMS

8.9.1 Quality Management System (QMS)

The Authority uses the ISO 9001 Quality Management System to manage its processes to ensure that they are customer focused. The Authority values certification as a way of providing confidence to customers and other stakeholders. Following the discontinuation of use of the ISO 9001:2008, the Authority commenced transition of its Quality Management System (QMS) to the new BOS ISO 9001:2015 standard. This included reviewing some QMS documentation (i.e. procedures, forms, templates), and implementing the same to generate new records as per requirements of the new standard. Also important to note is that during the reporting period, the Authority commenced a process automation project which entailed aligning the Authority's documented QMS processes to the automated ones on the BITRIX online submission platform. As a result, modifications were carried out on the system and documents. This project was completed in March 2019. The certification process will be completed during the 2019/20 financial year.

8.9.2 Records Management System

The Authority recognises and appreciates the importance of records as a corporate asset and significant source of administrative, evidential and historical information. They are vital to the Authority in its current and future operations, for the purposes of accountability, awareness and understanding of its procedures. The Records Management Policy was developed to ensure that records are systematically managed from creation to disposition. The policy aligns the current records management practices with international standards and relevant

legislation.

The HP Content Manager System is useful in driving the efficient management of records in BQA. This system was upgraded and rolled out from HPRM 8.1 to HPCM 9.2 version in the financial year 2018/19. The upgraded version came with useful properties for facilitating the management of both records and documents or unstructured information, which includes, but not limited to, reports, contracts, emails, and others. The response to correspondence reports was automated to indicate the response level which is tied to service level agreements (SLA's) to monitor compliance.

There has been substantial generation of records internally as well as those received from BQA clients. This resulted in scanning of semi-current records and sourcing an offsite storage facility to secure clients' records. This project saved internal records storage. The scanned copies were uploaded in BQA databases for easy access and improved security. The Authority will continue to benchmark and upgrade its Records Management System to accommodate the expansion of services and implement feedback from users and customers.

8.10 HUMAN RESOURCE MANAGEMENT

The human resource function is key to achieving the mandate of the Authority. During the reporting period, BQA continued implementation of the new quality assurance system and this required human resource capacity to drive implementation of the new system. Therefore, in the 2018/2019 financial year, focus continued to be on three key areas of staff recruitment and retention, staff development, and managing performance.

8. 10.1 Staff recruitment and retention

The Authority achieved 94% retention of staff in critical positions against a target of 90%. The Authority was also able to recruit for 30 out of 47 vacancies (64%). At the end of the reporting period, the staff complement was 132 against an establishment of 155. Recruitment for the 23 vacancies will be done in the next financial year. The Authority will continue to work on initiatives to improve staff attraction and retention.

8.10.2 Staff development

For the year under review, staff development was geared towards addressing current and emerging organisational and individual needs for effective implementation of the BQA mandate. The Authority implemented 81% of its employee development programmes against a target of 90%. A comprehensive skills audit exercise will be conducted in the next financial

year to further inform staff development efforts.

8.10.3 Performance Management

The Authority continued managing the performance of its employees to ensure achievement of its strategic objectives. An overall employee performance score of 82.4% was achieved against a target of 78%. This means that the majority of employees met performance expectations. The Authority will continue to manage employees' performance to deliver business results.

8.10.4 Change Management

A Change Management plan links an organisation's strategy and business results by managing the people's side of projects. Projects support strategy and each project has both the technical and the people side. Without engaged employees, achievement of projects is low and the organisation runs the risk of not attaining the intended benefits. To gauge the engagement levels of its employees, the Authority conducted an Employee Engagement Survey in 2017. The Survey revealed deep-seated cultural and mind-set issues, which greatly undermined trust in leadership, and the nurturing of an organisation anchored on a high performance culture. The Authority developed and implemented an Employee Engagement Improvement Plan aimed at rebuilding trust and a high performance culture. Key to the plan was leadership development and overall improvement of conditions of service. To ensure a holistic approach to improve employee engagement, the Authority will develop and implement a comprehensive Change Management Plan during 2019/20 financial year.





9.0 CHALLENGES

The following transitional challenges were experienced:

i) Lack of capacity

- a) Organisational Transition While the staff compliment of BQA is 155, the Authority had to suspend recruitment due to financial constraints. There was need to build capacity of staff to deal with the new mandate. This meant that BQA staff was undergoing training on the system while at the same time being expected to deliver, which delayed processing of applications especially for registration of qualifications. The exercise of staff capacity building will continue though staff is currently comfortable and can effectively deliver on the mandate.
- b) There are challenges with capacity within the ETPs to meet requirements and industry (experts) to assist in the validation processes. Capacity building and training have been done to meet the required standards and numbers. This exercise will continue in the next financial year.

ii) Failure to meet turnaround times

There have been delays in processing applications as per set timelines. Under the 2019/20 Strategic Plan review processes, the Authority will engage stakeholders and review instruments to make them customer friendly.

iii) Non-registration of graduates

Non-registration of graduates by regulated professional bodies continued to be experienced. There is need to harmonise laws and processes of BQA and those of Professional Bodies.



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

Annual financial statements for the year ended 31 March 2019

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2019

AUTHORITY INFORMATION

Domicile, legal form and principal business activity:

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

Registered address:	Plot 66450, Block 7, Gaborone	
Members of the Board	Chairperson - Mr Charles Siwawa Vice Chairperson - Mrs Mmatlala Dube Mr Barulaganye Mogotsi Mr Oupa Masesane Mr David Slater Mr Joseph M Matome Mr Mogapi E Madisa Mr Charles I Coyne Mr Tebogo Rapitsenyane Mr Busie J Moepi Mr Pelotshweu Motlogelwa Ms Yolinda Baletloa Mr Boniface Mphetlhe	
Board Secretary	Mr Kennedy O Pheko	
Acting Chief Executive Officer	Ms Selebo A Jobe	
Postal address:	Private Bag BO340, Gaborone	
Auditors:	Mazars	
Bankers:	First National Bank of Botswana Limited Stanbic Bank Botswana Limited	

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2019

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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS for the year ended 31 March 2019

The Board 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 members of the board have no reason to believe that the Authority will not be a going concern in the foreseeable future, based on the continuous support by the Government of Botswana through the Ministry of Tertiary Education Research Science and Technology.

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

The annual financial statements on pages 63 to 113 and supplementary information were authorised for issue by the Board of Directors on ______and are signed on its behalf by:



INDEPENDENT AUDITOR'S REPORT

To the Members of Botswana Qualifications Authority

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Botswana Qualifications Authority set out on 8 to 55, which comprise the statement of financial position as at March 31, 2019, and the statement of profit or loss comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Botswana Qualifications Authority as at March 31, 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Botswana Qualifications Authority Act, 2013.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

The Valuation of Land and building

Land and building is accounted for at fair value less accumulated depreciation. The Authority obtains independent valuation for land and building at least every third year. The last independent valuation was done in the year 2018. This was carried out by an independent valuer. Management assesses the fair value of land and building at the end of each reporting period in order to evaluate any changes.

The carrying value of land and building of the Authority at 31 March 2019 amounted to P40,300,000. The fair value loss adjustment recorded in other comprehensive income as at 31 March 2019, in respect of Land and building amounted to P13,620,987.

Income approach was used in determining the fair value or land and building.

We considered this valuation to be a matter of most significance to our current year audit due to the following reasons:

• The significance of the balance; and

Audit response

We assessed the objectivity, competence and experience of the independent valuer used by management and we can confirm that:

- professional staff were involved in the valuation process and they were found to be in good standing with the relevant professional bodies:
- the valuer has appropriate qualifications and experience and is deemed to be competent to perform the valuation of Land and building:
- the independent valuer does not have any financial interest in the Authority which may impact on his independence and objectivity;
- No restrictions or limitations were placed on the independent valuer; and
- the valuer is not aware of any information relevant to the valuations, which had been withheld by the Authority.

We obtained the valuation report and an understanding of the methodology and assumptions used by the independent valuer. We assessed the appropriateness of the methodology and the reasonableness of the assumptions applied by performing the following procedures:

• The judgments and assumptions applied by the independent valuer engaged by management in determining the fair value of the land and building.

The disclosures relating to fair value assessments are set out in the annual financial statements in the following notes:

Note 5.2 Recognized fair value measurements. Note 7.1.1 Estimation of fair value of land and building.

- We compared the valuation approach used by the independent valuer to the requirements of IFRS 13 Fair Value Measurement and industry norms. We found the valuation methodology applied by the independent valuer to be comparable and in line with those in the industry;
- We assessed the reasonableness of the data used by the independent valuer, including net cash flows by comparing them to rental income and repair and maintenance costs of similar properties. We found the data to be reasonable and in line with our expectations; and
- We compared the capitalisation rate used by the independent valuer in the valuation to the capitalisation rates generally used in the market as well as other general market factors such as comparable rental yield rates. We found the capitalisation rate used by the independent valuer to be within a reasonable range.

We recalculated the fair value adjustments made by management and we did not identify any material differences.

Valuation of Motor Vehicles

Motor Vehicles are accounted for at fair value less accumulated depreciation. The Authority obtained independent valuation for the Motor Vehicles during the current year.

The carrying value of Motor Vehicles of the Authority at 31 March 2019 amounted to P2,079,329. The fair value gain adjustment recorded in other comprehensive income in respect of Motor Vehicles amounted to P704,337.

Average of trade in value and retail value was used in determining the fair value of Motor Vehicles.

We considered this valuation to be a matter of significance due to the following reasons:

- The significance of the balance; and
- •The judgements and assumptions applied by the independent valuer engaged by management in determining the fair value of the Motor Vehicles.

The disclosures relating to fair value assessments are set out in the annual financial statements in the following notes;

Note 5.2 Recognized fair value measurements. Note 7.1.6 Estimation of fair value of Motor Vehicles. We assessed the objectivity, competence and experience of the independent valuer used by management and we can confirm that:

- professional staff were involved in the valuation process and they were found to be in good standing with relevant professional bodies;
- the valuer has appropriate qualifications and experience and is deemed to be competent to perform the valuation of Motor Vehicles
- the independent valuer does not have any financial interest in the Authority which may impact on his independence and objectivity;
- no restrictions or limitations were placed on the independent valuer; and
- the valuer is not aware of any information relevant to the valuations, which had been withheld by the Authority.

We obtained the valuation report and an understanding of the methodology and assumptions used by the independent valuer. We assessed the appropriateness of the methodology and the reasonableness of the assumptions applied by performing the following procedures:

- We compared the valuation approach used by the independent valuer to the requirements of IFRS 13 Fair Value Measurement and industry norms. We found the valuation methodology applied by the independent valuer to be comparable and in line with those in the industry;
- We assessed the reasonableness of the data used by the independent valuer, including trade in value and retail value of similar Motor Vehicles. We found the data used by the independent valuer to be reasonable and in line with our expectations.

We recalculated the fair value adjustments made by management and we did not identify any material differences.

Other information

The members of the board are responsible for the other information. The other information comprises the Authority Information, the Statement of responsibility by the members of the board and the Detailed Income Statement as required by the Botswana Qualifications Authority Act of Botswana, which we obtained prior to the date of this report, and the Botswana Qualifications Authority Annual Report for financial year ended 31 March 2019, which is expected to be made available to us after that date. Other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Members of the Board for the Annual Financial Statements

The members of the board are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Botswana Qualifications Authority Act, and for such internal control as the members of the board determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design
 and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide
 a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting
 from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the board.
- Conclude on the appropriateness of the members of the board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

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

Mazars

Mazars **Certified Auditors** Shashikumar Velambath

Registration Number: 19980076

Date_ 22-08-2019 Gaborone

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2019

	Note	2019 P	2018 P
	NOTE		
Income			
Government subvention		73,315,145	54,470,686
Ministry of Tertiary Education Research Science and Te	chnolog		2,755,983
Human Resource Development Fund contributions	100	-	31,120,620
Quality assurance fees		3,769,750	8,562,492
	1	77,084,895	96,909,781
Amortisation of capital grants	5.4	1,917,172	2,326,799
Other income	2.1	46,712	198,390
Decrease in provision for doubtful debts	4.1.1	35,439	
Total income		79,084,218	99,434,970
Expenditure			
Amortisation of intangible assets		(222,107)	(190,634)
Advertising and promotion		(2,456,952)	(3,661,088)
Audit fees		(230,317)	(422,576)
Computer expenses		(4,266,437)	(3,315,574)
Depreciation of property, plant and equipment		(2,293,202)	,
Maintenance and running costs		(1,169,237)	(1,257,754)
Research and consultation		(5,016,969)	(5,912,010)
Staff costs		(62,227,544)	(65,217,638)
Travelling and accommodation		(2,142,948)	(1,269,420)
Workshops and conferences	0.0	(1,983,236)	(2,096,390)
Other operating expenses Total expenditure	2.2	(7,765,565)	(6,085,105) (92,085,983)
rotal expenditure	2.2	(89,774,514)	(92,085,983)
Finance income		2.3185,922	120,719
Surplus / (deficit) for the year		(10,504,375)	7,469,706
Other comprehensive income			
Item that will not be reclassified to income statemen	t		
Revaluation gain/(loss) on property, plant and equipment		704,337	(13,620,987)
Total comprehensive loss for the year		(9,800,038)	(6,151,280)

STATEMENT OF FINANCIAL POSITION as at 31 March 2019

		2019	2018
	Note	Р	Р
ASSETS			
Non-current assets	F 4	40 004 070	40 F11 010
Property, plant and equipment	5.1 5.3	48,291,273	48,511,018
Intangible assets	5.5	1,084,667 49,375,940	1,069,969 49,580,987
	-	49,373,940	49,300,907
Current assets			
Trade and other receivables	4.1	3,014,332	8,611,196
Cash and cash equivalents	4.2	55,459,520	51,994,374
Total current assets		58,473,852	60,605,570
Total assets		107,849,793	110,186,557
			Mark to the
LIABILITIES			
Non-current liabilities			
Capital grants	5.4	(32,515,151)	(32,826,398)
Oramona liabiliai a			
Current liabilities Projects funds	5.5	(6 624 407)	(6 757 11 1)
Contract liability	6.3	(6,634,497) (7,493,338)	(6,757,414) (2,785,100)
Trade and other payables	4.3	(5,843,212)	(8,683,215)
Employee benefit obligations	5.6	(29,508,907)	(23,469,321)
Total current liabilities	-	(49,479,953)	(41,695,050)
		, , , , , ,	(, , , , , , , , , , , , , , , , , , ,
Total liabilities		(81,995,105)	(74,521,448)
Net assets		25,854,688	35,665,109
Funds and reserves			
Accumulated funds	6.1	4,664,172	15,178,930
Revaluation reserve	6.2	21,190,516	20,486,179
Total funds	=	25,854,688	35,665,109

STATEMENT OF CHANGES IN FUNDS for the year ended 31 March 2019

	Accumulated funds P	Revaluation reserve P	Total equity P
For the year ended 31 March 2018 Balance at 1 April 2017	7,709,224	34,107,166	41,816,390
Surplus for the year Other comprehensive income	7,469,706	-	7,469,706
Revaluation loss Balance at 31 March 2018	- 15,178,930	(13,620,987) 20,486,179	(13,620,987) 35,665,109
For the year ended 31 March 2019 Balance at 1 A pril 2018	15,178,930	20,486,179	35,665,109
IFRS 9 transitional impairment Deficit for the year	(10,383) (10,504,375)	- -	(10,383) (10,504,375)
Other comprehensive income Revaluation gain	4 664 170	704,337	704,337
Balance at 31 March 2019	4,664,172	21,190,516	25,854,688

STATEMENT OF CASH FLOWS for the year ended 31 March 2019

	Notes	2019 P	2018 P
Cash flows from operating activities Surplus / (deficit) for the year		(10,504,375)	7,469,706
Adjustment for non cash items: Amortisation of deferred capital grants Depreciation of property, plant and equipment Amortisation of intangible assets Interest income Impairment	5.4 5.1 5.3 2.3	(1,917,172) 2,293,202 222,107 (185,922)	(2,326,799) 2,657,794 190,634 (120,719)
Changes in working capital Trade and other receivables Non cash - IFRS 9 Adjustment relating to transitions Employee benefit obligations Trade and other payable Contract liability (deferred income) Net cash inflow from operating activities	al impairme 6.3	5,596,864 ent (10,383) 6,039,585 (2,840,004) 4,708,238 3,402,141	(670,752) - 2,913,757 5,008,892 2,785,100 17,907,613
Cash flows from investing activities Purchase of property, plant and equipment Purchase of intangible assets Interest received Net cash outflow from investing activities	5.1 5.3 2.3	(1,369,120) (236,805) 185,922 (1,420,003)	(1,247,440) (202,944) 120,719 (1,329,665)
Cash flows from financing activities Capital grants received Projects funds received Payment for BQA project Net cash outflow from financing activities	5.4 5.5 5.5 _	1,605,925 - (122,917) 1,483,008	1,450,384 5,000,000 - 6,450,384
Net increase in cash and cash equivalents Cash and cash equivalents at beginning of year Cash and cash equivalents at end of year	4.2	3,465,146 51,994,374 55,459,520	23,028,332 28,966,042 51,994,374

42				
1IN	COME		2019	2018
	1.1 Government grants		P	P
	Government subvention		74,921,070	55,921,070
	Less: amount transferred to capital grants (Note 5.4)		(1,605,925)	(1,450,384)
			73,315,145	54,470,686
	Ministry of Tertiary Education Research Science and Tech		ogy -	2,755,983
	Contribution from the Human Resource Development Fun	d	-	31,120,620
			73,315,145	88,347,289
	1.2 Revenue from services		2019	2018
			P	P
	Performance obligation satisfied at a specific point in tin	ne	•	
	Quality assurance fees		3,769,750	8,562,492
2	OTHER INCOME AND EVENUE ITEMS			
2 2.1	OTHER INCOME AND EXPENSE ITEMS Other income		2019	2018
2.1	Other income		2019 P	2016 P
	Miscellaneous income		46,712	198,390
	Wilscellaneous income		46,712	198,390
			•	
2.2	Administration expenses		2019	2018
	Amortication of intensible accets (Note E.2)		P (222 107)	(100 604)
	Advertising and promotion		(222,107)	(190,634)
	Advertising and promotion		(2,456,952)	(3,661,088)
	Computer expenses Depreciation of property, plant and equipment (Note 5.1)		(4,266,437)	(3,315,574) (2,657,794)
	Maintenance and running costs)	(2,293,202) (1,169,237)	(1,257,754)
	Research and consultancy		(5,016,969)	(5,912,010)
	Staff costs		(62,227,544)	(65,217,638)
	Travel and accommodation expenses		(2,142,948)	(1,269,420)
	Workshops and conferences		(1,983,236)	(2,096,390)
	Auditor's remuneration:		(1,903,230)	(2,090,090)
	- current year (220,000)			
	- prior year underprovision (10,317)		(230,317)	(422,576)
	Operating expenses		(82,008,949)	
			,, , , , ,	(1.0.10.700)
	Board fees and expenses		(1,540,531)	(1,040,738)
	Insurance		(774,991)	(833,737)
	Printing and stationery		(1,606,174)	(1,011,462)
	Examination and allied expenses		(460,907)	(264,191)
	Legal fees		(353,971)	,
	Security		(377,772)	(320,526)
	Water and electricity		(801,589)	(677,193)
	Other expenses		(1,849,630)	(1,544,138)
	Other operating expenses		(7,765,565)	(6,085,105)
	Total administrative expenses		(89,774,514)	(92,085,983)

2.2	Breakdown of expenses by nature (continued)		
	Staff costs	2019	2018
		Р	Р
	Salaries and wages	46,165,308	48,322,782
	Gratuity	8,599,133	12,615,363
	Pension	1,347,401	
	Medical expenses	1,368,555	1,232,763
	Leave pay	1,972,652	1,732,152
	Other staff costs	2,681,191	1,280,547
	Severance pay	93,303	34,031
		62,227,543	65,217,638
2.3	Finance income	2019	2018
2.0	Timenoc income	2013 P	2010 P
	Finance income	·	
	Interest received on short term investments	197,941	120,747
	Exchange loss on cash and cash equivalents	(12,019)	(28)
		185,922	120,719

The interest income relates to interest earned on short-term investments maintained with banks and IPRO Money Market investment.

3 INCOME TAX

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

4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Authority holds the following financial instruments:

Financial assets	Notes	Assets at fair value through profit or loss P	Financial assets at atamortised cost P	Total P
At 31 March 2019				
Trade and other receivables*	4.1		438,960	438,960
Cash and cash equivalents	4.2		55,459,520	55,459,520
			55,898,480	55,898,480
At 31 March 2018				
Trade and other receivables*	4.1		7,696,118	7,696,118
Cash and cash equivalents	4.2		51,994,374	51,994,374
		-	59,690,492	59,690,492
*excluding prepayments				

4 Financial assets and financial liabilities (continued)

Financial liabilities	Notes	Liabilities at amortised cost P
At 31 March 2019 Other payables*	4.3	5,843,212
At 31 March 2018 Other payables*	4.3	8,683,215

^{*}excluding non-financial liabilities

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

4.1	Trade and other receivables	2019 P	2018 P
	Trade receivables	218,105	96,446
	Less: Provision for impairment (Note 8.1)	(48,714)	(73,770)
		169,391	22,676
	Contributions receivable from Human Resource Developm	nent Fund -	7,374,551
	Interest receivable from money market investment	42,988	1 - 1 - 1
	Prepayments	2,575,372	915,078
	Other receivables	226,581	298,891
		3,014,332	8,611,196

4.1.1 Reconciliation of provision for impairment loss

Description	2019	2018
	Р	Р
Opening balance calculated under IAS 39	73,770	105,920
Amounts restated through opening retained earnings –	10,383	
Transitional IFRS 9 Adjustment		
Opening impairment allowance as at 1April 2018 -	84,153	- '
calculated under IFRS 9		
Increase/(Decrease)	(35,439)	(32,150)
recognised in profit or loss during the period		
Receivables written off during the year as uncollectible		
Closing balance at 31 March	48,714	73,770

Cash and cash equivalents	2019	2018
	Р	Р
Pank halangas	55 <i>1</i> 55 727	51,991,749
		2,625
oddir o'i ridiid	55,459,520	51,994,374
(i) Reconciliation to cash flow statement		// // // // //
	vn in the	
statement of cash flows at the end of the financial year	as follows:	
	2019	2018
	Р	Р
Bank balances	55.455.737	51,991,749
Cash on hand	3,783	2,625
	55,459,520	51,994,374
The committee and country of the health belonger and demaine	+ o d	
The carrying amounts of the bank balances are domina		2018
in the following foreign currencies:		2018 P
South African Rands	-	51,356
United States Dollar	137,469	
	Bank balances Cash on hand The carrying amounts of the bank balances are dominatin the following foreign currencies: South African Rands	Bank balances Cash on hand (i) Reconciliation to cash flow statement The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows: 2019 P Bank balances Cash on hand 3,783 55,455,737 Cash on hand 3,783 55,459,520 The carrying amounts of the bank balances are dominated in the following foreign currencies: P South African Rands 55,455,737 2019

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 48 hours notice with no loss of interest. See Note 13.5 for the Authority's other accounting policies on cash and cash equivalents.

on odon and odon equivalente.		
4.3 Other payables	2019	2018
	Р	Р
Current liabilities		
Audit fees accrual	220,000	450,000.00
Accruals	831,214	2,272,120
Other payables - staff salaries migration cost	789,893	3,653,995
- suppliers payments	3,031,695	1,274,328
- miscellaneous	833,572	866,135
- SAQAN Project	136,838	166,637
	5,843,212	8,683,215

4.3 Other payables (continued)

The Southern African Quality Assurance Network (SAQAN) is a regional body with membership from countries and institutions in the SADC Region of which Botswana Qualifications Authority (BQA) is a member. The main objectives of the Network is to improve quality assurance in higher education and harmonise quality assurance systems in the region. Membership is voluntary and members pay joining fees and annual subscriptions fees. BQA is currently the Secretariat of the Network for a period of 5 years from 2015 when the Network was established. The SAQAN project amount above relates to annual subscription fees from members

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

5 NON-FINANCIAL ASSETS AND LIABILITIES

73.685.429	1,247,440	13,620,987)	(2,097,204)	59,214,678	1,369,120	(425,640)	704,337	(2,351,875)	58,510,620		10,143,070	2,657,794	(2,097,204)	10,703,660	2,293,202	(2,351,875)	(425,640)	(0,219,347)		L 77	48,511,018	48,291,273	
	ı	-	-	-	84,670	1	ı	ı	84,670		ı	ı	-	-	1	1	1	.) -			_	84,670	
388,966	4,995	1	-	393,961	1,755	,	ı		395,716		362,167	27,770	-	389,937	209	ı	,	(390,146)		0	4,024	5,570	
3,901,700	970,868		-	4,872,568	1,005,674	(288,526)	1	-	5,589,716		2,235,263	421,742	-	2,657,005	530,616	1	(288,526)	(2,899,095)		0 7 7	2,215,563	2,690,621	
1,221,813	132,252	1	-	1,354,065	120,614	(119,707)	ı	ı	1,354,972		1,132,523	27,793	-	1,160,316	45,303	ı	(119,707)	(1,085,912)		000	193,749	269,060	
3,609,754	96,766	ı	_	3,709,550	72,150	(17,408)	ı	-	3,764,293		2,228,584	354,807	-	2,583,391	340,982	1	(17,408)	(2,906,966)		7	1,126,159	857,327	
3,713,215	13,652	,	-	3,726,867		1	704,337	(2,351,875)	2,079,329		1,521,086	415,395	-	1,936,481	415,395	(2,351,875)	,	(0)		7	1,790,386	2,079,329	
4,857,667		1	-	4,857,667	84,257			1	4,941,924		1,733,647	242,883	-	1,976,530	269'096	1	•	(2,937,227)		7	7,881,137	2,004,697	
55,992,314	25,877	(13,620,987)	(2,097,204)	40,300,000	ı	I	ı	ı	40,300,000		929,800	1,167,404	(2,097,204)	ı	ı	ı	ı			0000	40,300,000	40,300,000	
Cost/Valuation Balance at 1 April 2017	Additions	Revaluation	Reversal on revaluation of land and buildings	Balance at 31 March 2018	Additions	Disposals	Revaluation	Reversal on revaluation	Balance at 31 March 2019	Accumulated depreciation	Balance at 1 April 2017	Charge for the year	Reversal on revaluation of land and buildings	Balance at 31 March 2018	Charge for the year	Reversal on revaluation	Reversal on disposal	Balance at 31 March 2019		Carrying amount	At 31 March 2018	At 31 March 2019	
	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966	ation t 1 April 2017 55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 77 25,877 - 13,652 99,796 132,252 970,868 4,995 -	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 77, 25,877 - 13,652 99,796 132,252 970,868 4,995 - 7 (13,620,987) (13	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 25,877 - 13,652 99,796 132,252 970,868 4,995 - (13,620,987)	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 25,877 - 13,652 99,796 132,252 970,868 4,995 - 6	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 25,877 - 13,652 99,796 132,252 970,868 4,995 - 6 13,620,987) of land and buildings (2,097,204)	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 13,620,987) of land and buildings (2,097,204)	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 13,620,987) 13,620,987) of land and buildings (2,097,204)	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 25,877 - 13,652 99,796 132,252 970,868 4,995 - 6 13,620,987) of land and buildings (2,097,204)	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 13,652 25,877 - 13,652 99,796 132,252 970,868 4,995 - 13,652 99,796 132,252 970,868 4,995 - 13,652 99,796 132,252 970,868 4,995 - 13,620,987	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 25,877 - 13,652 99,796 132,252 970,868 4,995 - 6 (13,620,987) - 13,652 99,796 132,252 970,868 4,895 - 6 (13,620,987) - 1	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 55,877 - 13,652 99,796 132,252 970,868 4,995 - 61,302,0987) of land and buildings (2,097,204)	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 25,877 - 13,652 99,796 132,252 970,868 4,995 - 13,620,987) of land and buildings (2,097,204)	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 25,877 - 13,652 99,796 132,252 970,868 4,995 - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,620,987) - 1 (13,636,47) - 1 (13,63	F5,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 2,995	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966	55,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 25,877 13,620,987 13,620,987 13,620,987 13,620,987 13,620,987 13,620,987 13,620,987 13,620,987 13,64,975 14,972 14,	55,992,314 4,857,667 3,713,215 3,609,754 1,121,813 3,901,700 388,966 25,877 - 13,652 99,796 132,252 970,868 4,995 (13,620,987) 13,652 3,726,867	F5,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 - 25,877	55,992,314 4,857,667 3,713,215 3,609,754 1,1221,813 3,901,700 388,966 2,5877 - 13,652 99,796 132,252 970,868 4,995 - 13,620,987) of land and buildings (2,097,204) - 704,337	55992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 2,5877 of land and buildings (2,097,204) 4,857,667 3,726,867 3,709,550 1,354,065 4,872,568 393,961 - 704,337	F5,992,314 4,857,667 3,713,215 3,609,754 1,221,813 3,901,700 388,966 2,5877 13,622,987 13,622,987 13,622,987 13,622,987 13,622,987 13,622,987 13,622,987 14,132,282 14,132,282 14,132,282 14,132,282 14,132,282 14,132,282 14,132,282 14,132,282 14,132,282 14,137 11,167,404 242,883 14,1536 2,138,407 2,138,407 2,138,509 11,167,404 242,883 14,1536 340,982 11,160,316 2,657,005 389,397 11,167,404 242,883 14,1536 340,982 14,132,583 14,130 11,167,404 24,138,407 2,138,407 2,138,407 2,138,407 2,138,409 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,160,316 2,138,590 11,126,159 11,	Fig. 55,992,314 (4,857,667) (3713,215 (3,609,754 (1,221,813) (3,901,700) (3,989,66 (1,3620,987)) Fig. 40,300,000 (2,881,137 (1,790,386 (1,195,707) (2,886,256) (1,995,706) (1,995,674 (1,261,995) (1,995,674 (1,995,914)) Fig. 40,300,000 (2,881,137 (1,790,386 (1,195,707) (2,899,095) (3,901,46) (1,995,910) (1,995,674 (1,995,910) (1,995,910) (1,995,910) (1,995,910) (1,996,966) (1,196,966) (1,995,910) (1,996,966) (1,196,966) (1,996,966) (1

An independent valuation of the Authority's land and buildings was performed in 2017/2018 by MG Properties. The next valuation would be done 2020/2021. Fair value assessement on other assets was carried out by Management.

5.1 Property, plant and equipment (continued)

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

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

2019 2018 P P

Depreciation of property, plant and equipment

2,293,202 2,657,794

(ii) Revaluation, depreciation methods and useful lives

Land and buildings are recognised at fair value based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation for land and buildings. A revaluation surplus is credited to other reserves (Note 6.2). All other property, plant and equipment is recognised at historical cost less accumulated depreciation. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter of the lease term as follows:

Leasehold land and buildings	Over the lease period
Plant and machinery	20 years
Motor vehicles	6-10 years
Furniture and fittings	10 years
Office equipment	6 years
Computer equipment	6 years
Library books	2 years
	= j ea. e

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

(iii) Significant estimates – valuations of land and buildings Information about the valuation of land and buildings are provided in Note 7.1.1.

5.1 Property, plant and equipment (continued)

(iv) Carrying amounts that would have been recognised if land and buildings that were revalued were stated at cost

If the land and building were carried at cost before the revaluation adjustment, the respective carrying amounts would be as follows;

		Accumulated	Net book
	Cost	depreciation	amount
	Р	Р	Р
At 31 March 2019			
Land	112,219	-	112,219
Building	28,958,849	(6,340,257)	22,618,592
	29,071,068	(6,340,257)	22,730,811
At 31 March 2018			
Land	112,219	-	112,219
Building	28,958,849	(5,758,836)	23,200,013
	29,071,068	(5,758,836)	23,312,232

5.2 Recognised fair value measurements

(i) Fair value hierarchy

The Authority has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards.

Non-recurring fair value measurements	Notes	Level 1 P	Level 2 P	Level 3 P	Total P
At 31 March 2019 Land and building	5.1	-		40,300,000	40,300,000
At 31 March 2018 Land and building	5.1	-		40,300,000	40,300,000

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

There were no transfers between levels during the year.

5.2 Recognised fair value measurements (continued)

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

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

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

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

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- capitalised net income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

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

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

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

	2019 P	2018 P
Opening balance at 1 April Additions	40,300,000	55,062,514 25,877
Revaluation loss	-	(13,620,987)
Depreciation on revaluation	-	(1,167,404)
Closing balance at 31 March	40,300,000	40,300,000

5.2 Recognised fair value measurements (continued)

(iii) Valuation processes

The external valuations of the land and buildings were performed using net income approach as at 31 March 2018. The valuations were performed using unobservable inputs. Accordingly, the fair value measurement has been classified under level 3. The external valuer, in discussion with the management of BQA has determined these inputs based on the size, age and condition of the land and building, the state of the local economy and comparable prices.

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

Description	Fair value as at 31 March 2019	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Plot 66450, Gaborone	e 40,300,000	Income approach	Rent per m2 Rental yield	P 70 - P 75 9% - 9.5%	The higher the rental, the higher the fair value The Lower the yield, the
Motor Vehicles	2,079,329	Average of trade in value and retail value	popularity, supply,	N/A	higher the fair value The higher the trade in and retail value, the higher the fair value

5.3 Intangible assets

Cost	P
Balance at 1 April 2017 Additions Balance at 31 March 2018	3,945,931 202,944 4,148,875
Balance at 31 March 2018 Additions Balance at 31 March 2019	4,148,875 236,805 4,385,680
Accumulated amortisation Balance at 1 April 2017 Amortisation charge Balance as 31 March 2018	2,888,272 190,634 3,078,906
Balance as 31 March 2018 Amortisation charge Balance as 31 March 2019	3,078,906 222,107 3,301,013
Carrying amount At 31 March 2018	1,069,969
At 31 March 2019	1,084,667

Intangible assets consists of computer software which is a purchased asset. There were no individual assets that are material to the annual financial statement of the Authority as a whole.

Depreciation is calculated using the straight-line method to allocate the cost net of their residual values, over their estimated useful lives

Computer software

7 years

5.4 Capital grants	2019 P	2018 P
Balance at 1 April 32,	826,398	33,702,813
Purchase of property, plant and equipment from Government subvention 1,	,369,120	1,247,440
Purchase of intangible assets from Government subvention	236,805	202,944
Amortisation during the year (1,5)	917,172)	(2,326,799)
Balance at 31 March 32	,515,151	32,826,398

Capital grants represent grants from the Government utilised for capital expenditure (Note 5.1 and 5.3). The portion of the grants recognised as income during the year relates to the depreciation of property, plant and equipment which was funded by the capital grants.

5.5 Project funds	2019 P	2018 P
Balance at 1 April	6,757,414	1,757,414 5,000,000
Projects funds received during the year BQA Project operating expenses	(122,917)	-
Balance at 31 March	6,634,497	6,757,414

As at 31 March 2017 the Authority received funds amounting to P388,500.00 from the Human Resource Development Council to support the Tour Guides Recognition of Prior Learning Assessment Project. The Project is ongoing and delayed due to logistics. As at 31 March 2018 the Authority also received the sum of P5,000,000.00 for capacity building in the General Education Sector and implementation started in June 2019.

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

5.6 Employee benefit obligations	Leave pay Gratuity Total
	P P P
Balance at beginning of the year Provisions for the year Payments during the year Advances	2,493,474 20,975,847 23,469,321 1,972,653 14,631,403 16,604,056 (1,551,408) (2,989,345) (4,540,753) - (6,023,717) (6,023,717)
Balance at end of the year	2,914,719 26,594,188 29,508,907

5.6 Employee benefit obligations (continued)

Gratuity

Employees receive terminal gratuities in accordance with their contracts of employment. An accrual is made for the estimated liability towards such employees up to the end of reporting period. With effect from 1 April 2005 annual provisions for gratuity for officers of autonomous organisations funded by the Government are required to be placed in trust funds that cannot be spent on any other activity, including birding financing. In order to comply with this requirement the Authority has opened a 32-day notice bank account with Stanbic Bank Botswana Limited and a money market investment with IPRO Botswana for its staff gratuity accrual. The accounts have a balance of P 23,395,050 (2018: P 18,127,498).

Leave pay

Leave pay accrual represents annual leave accrued net of annual leave advanced to employees. The current portion of this liability includes all of the accrued annual leave. The entire amount of the obligation of P 2,914,719 (2018 - P 2,493,474) is presented as current, since the Authority does not have an unconditional right to defer settlement of this obligations.

The provisions in respect of the gratuity and leave pay are in accordance with the conditions of employment. The obligations are payable on the date of termination of employment or end of contract of service, whichever is earlier. These calculations are based on managements valuation as at the reporting date. Management has assumed that all employees may request their dues within the 12 months, hence the entire provisions are classified as a current liability.

6 FUNDS AND RESERVES

6.1 Accumulated funds	2019 P	2018 P
Balance 1 April	15,178,930	7,709,224
IFRS 9 Transitional impairment	(10,383)	4
Restated opening balance at 01 April 2018	15,168,547	
Comprehensive (deficit) / income for the year	(10,504,375)	7,469,706
Balance 31 March	4,664,172	15,178,930

6.2 Other reserves At 1 April 2017	Revaluation reserve P
Revaluation - gross (Note 5.1)	(13,620,987)
At 31 March 2018	20,486,179
At 1 April 2018 Revaluation - gross (Note 5.1)	20,486,179 704,337
At 31 March 2019	21,190,516

The revaluation reserve arises as a result of revaluation of property, plant and equipment

6.3 Contract liability

Nature of contract balances	Nature of performance obligation	2019 P	2018 P	
Contract liability	Specific point in time	7,493,338	2,785,100	

Contract liability comprises of fees received in advance for registration, accreditation and for conducting audit of Education Training Providers.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

7.1 Significant estimates and judgements

The areas involving significant estimates or judgements are:

7.1.1 Estimation of fair values of land and buildings – Notes 5.2

Land and buildings are valued at least triennially as the assets do not experience significant and volatile changes in fair value, thus negating the necessity for annual revaluation. Land and buildings were revalued as at 31 March 2018 by an independent valuer based on income approach. Please refer Note 5.2 for the valuation techniques used to determine the fair value of land and buildings.

7.1.2 Measurement of the expected credit loss allowance – Note 4.1

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of models and significant assumptions about future economic conditions and credit behavior (e.g the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

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

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

Residual values are based on current estimates of the value of these assets at the end of their useful lives. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

7.1.4 Useful lives of intangible assets

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

7.1.5 Treatment of grants received from Government (Note 1)

Taking into account its nature and substance, the Authority considers amounts that it receives from the Government to fall within the scope of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. In reaching this conclusion, the Authority considers the terms attached to each of the grants received and the current practice adopted by other parastatals in Botswana. Accordingly, the Authority recognises the amounts received in accordance with the accounting policy as included in note 13.3.

7.1.6 Estimation of fair values of Motor vehicles – (Note 5.2)

Motor vehicles are valued annually as the assets experience significant and volatile changes in fair value, thus making the annual revaluation necessay.

Motor vehicles were revalued as at 31 March 2019 by an independent valuer taking into consideration the following; Regional popularity, supply, demand, conditions of use and operation, which could have a varying effect on the value of the vehicle.

8 FINANCIAL RISK MANAGEMENT

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

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

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

8.1 Market risk

(i) Cash flow and fair value interest rate risk

Financial instruments that are sensitive to interest rate risk are bank balances on call. The Authority invests excess cash resources in call deposit accounts which earn interest on a daily basis. Interest earned on the call deposit accounts is at market rates from commercial banks. A 1% increase in interest rates would result in an increase in the surplus for the year of P 1,859 (2018: P 1,207), 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.

(ii) Liquidity risk

The Authority's capital and operational expenditure is funded by the Government of Botswana in the form of revenue and capital grants. The Authority's substantial financial liabilities will be settled within three months after year end except for leave pay and gratuity accruals. Gratuity payments are funded from a 32-day notice bank account and a 48hrs money market investment account that have been set up as disclosed in Note 5.6.

(iii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Authority. As at 31 March 2019, the Authority's maximum exposure to credit risk which will cause a financial loss due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, the Authority has adopted appropriate policies and procedures to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Authority reviews the recoverable amount of each trade debt on an individual basis at the end of each month to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors consider that the Authority's credit risk is significantly reduced. The Authority does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Financial assets of the Authority, which are subject to credit risk, consist mainly of trade and other receivable and cash resources. The Authority holds cash deposits with reputable financial institutions.

The Authority applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all short-term receivables. To measure the expected credit losses, short-term receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance as at 31 March 2019 is determined as follows:

Trade Receivables: Expected Credit loss Default Rates(%)								
Date Current 1-30 Past due 61-90 Past due 91-180 Past due Over 180 Past due								
01.Apr.18	3.10%	9.31%	18.04%	66.69%	100%			
31.Mär.19	8.41%	13.78%	23.83%	73.48%	100%			

	Trade Receivables: Gross Carrying Amounts (Pula)						
Date Current 1-30 Past due 61-90 Past due 91-180 Past due Over 180 Past due Total							
01.Apr.18	5,000	(18,625)	66,300		73,770	126,445	
31.Mär.19	82,300	83,600	25,905	8,300	18,000	218,105	

	Trade Receivables: Expected Credit Losses (Pula)						
Date Current 1-30 Past due 61-90 Past due 91-180 Past due Over 180 Past due Total							
01.Apr.18	155	(1,735)	11,963	-	73,770	84,153	
31.Mär.19	6,920	11,522	6,173	6,098	18,000	48,713	

(iv) Cash equivalent

Stanbic Bank Botswana Limited First National Bank of Botswana IPRO Botswana Limited

2019	2018
Р	P
4,905,048	19,639,075
30,567,670	32,352,674
20,000,000	-
55,472,718	51,991,749

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

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 F1 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 Bank Limited, a Bank listed on the Johannesburg Stock Exchange. Longterm credit rating assigned to the bank by Moody's is Baa3. Long-term credit rating assigned to the bank by Standard & Poor's is BB (strong capacity to meet its financial commitments). First Rand Bank rating reflect the bank's strong market position as one of the big four banks in South Africa as well as its focused strategy, good core profitability, financial flexibility, robust risk management and sound capitalisation.

IPRO Botswana is a Botswana based Investment Management Company, registered and licensed with the NBFIRA. It commenced operations in 2007.

(v) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority is exposed to foreign exchange risk arising from various currency exposures, primarily the South African Rand. Foreign exchange risk arise from commercial transactions. Management has set up a policy to manage foreign exchange risk against the functional currency.

The Authority transacts with other Networking members of Southern African Quality Assurance Network (SAQAN) in the SADC region and is exposed to foreign exchange risk arising from various currencies, primarily the United State Dollar (USD).

The Authority's risk management objective is to manage cash flow risk related to foreign denominated cash flows. The Authority is exposed to currency risk related to changes of exchange between USD and BWP (Botswana Pula) in which it operates. A significant change in the currency exchange rate between USD and BWP could have a material effect on the Authority's surplus.

The Authority is exposed to currency risk through FNB account denominated in

31 March 2019	ZAR	USD	BWP
Cash and Cash equivalents	-	13,602	137,469
Foreign currency rates used for conversion	at reporting date:	1.000	10.1064

The strengthening of USD against the BWP by 10% at 31 March 2019 would have an approximate impact of P13,747 on the Authority's surplus, with all the other variables held constant. A 10% weakening of the USD would have equal but opposite effect.

31 March 2018	ZAR		USD	BWP
Cash and Cash equivalents	64,724		-	51,356
Foreign currency rates used for conversion	at	1.000	-	0.79346

The strengthening of ZAR against the BWP by 10% at 31 March 2018 would have an approximate impact of P5,136 on the Authority's surplus, with all the other variables held constant. A 10% weakening of the ZAR would have equal but opposite effect.

(vi) Price risk

The Authority has no equity securities and the Authority's income and operating cash flows are substantially independent of changes in equity price risk.

8.2 Liquidity risk

	Less than six		More than one
iabilities	months	twelve months	year
	Р	Р	Р
rade and other payable	5,843,212		
otal	5,843,212	-	-
As at 31 March 2018			
	Less than six	Between six and	More than one
Liabilities	months	twelve months	year
	Р	Р	Р
rade and other payables		8,683,215	
	8,683,215		

8.3 Capital risk management

There was no active capital risk management process in place primarily because the Authority was established under the Botswana Qualifications Authority Act No. 24 of 2013. Under this Act, the Government provides grants for both capital and operational expenditure based on detailed budgets submitted by the Board of Directors. The Authority's objective when managing its capital include ensuring a sufficient combination of positive operating cash flows and equity financing in order to meet its capital programs in a way that maximizes the shareholder return given the assumed risks of the operations while, at the same time, safeguarding the Authority's ability to continue as a going concern.

The capital of the Authority comprises accumulated funds as disclosed in the statement of changes in funds.

During the period under review, the Authority did not have borrowings as it is government owned.

9. CONTINGENT LIABILITIES

Staff car loan scheme

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

Staff house loan scheme

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

The Board members confirm that there were no contingent liabilities which required disclosure other than the above and that the exposure of the Authority to the liability is remote.

10. CAPITAL COMMITMENTS AND CONTINGENCIES

Capital commitments

Capital expenditures authorised by the Board and contracted for as at 31 March 2019 but not yet incurred were as follows.

	2019	2018
	Р	Р
Furniture and Fittings	2,870,000	-
Motor vehicles	551,000	-
	3,421,000	-
Contingent liabilities		
Rates and taxes	<u>247,371</u>	-

Plot 60113 measuring 12254 square meters belonging to Botswana Qualifications Authority was subdivided and portion of it measuring 6049 square meters was allocated to Human Resource Development Council. BQA was allocated plot 66450 measuring 6205 square meters and has not been billed for rates to date.

11 EVENTS AFTER REPORTING PERIOD

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

12 RELATED PARTY TRANSACTIONS AND BALANCE

The Authority maintains a relationship with the Government of Botswana which is the sole shareholder. The Government of Botswana provides significant income to the Authority through capital grants and operational subventions. The Government has statutory representation on the Board of the Authority. Transactions directly with the Government of Botswana and Human Resource Development Council which administers the Human Resource Development Fund are treated as related party transactions.

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

	2019 P	2018 P
Subvention received from the Government (Note 1)	74,921,070	55,921,070
Other contribution from Ministry of Tertiary Education Research Science and Technology (Note 1)		2,755,983
b) Human Resource Development Council (HRDC)		
The Authority nol onger receives contribution from the HRDC to support	quality assu	ance activities
	2019 P	2018 P
10% Contribution		31,120,620
Receivable		7,374,551
c) Key Management personnel expenditure:		
	2019 P	2018 P
Remuneration	9,681,982	7,531,179
Benefits accruals:		
Leave pay accrual Gratuity accrual	483,008 4,601,662	218,955 2,506,497
Gratuity accrual	5,084,670	2,725,452
d) Sitting allowance		
	2019 P	2018 P
Sitting allowance paid to Members of the Board	792,450	486,900
Sitting allowance payable to Members of the Board	26,100	33,750

13 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

13.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Botswana Qualifications Authority Act, 2013. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

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

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

Adoption of standards in the current financial year

Adoption of IFRS 9 Financial Instruments - Recognition and Measurement

The Authority has adopted IFRS 9 as issued by the IASB in July 2014 with a transition date of 1 April 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Authority did not early adopt any of IFRS 9 in previous periods.

As permitted by the transitional provisions of the standard, the Authority elected not to restate comparative figures. The comparative period notes disclosures repeat those of disclosures made in the prior period. Any adjustments to the carrying amounts of financial assets at the date of transition were recognised in the opening Accumulated Surplus account. The Authority does not hedge its financial risks and therefore hedge accounting is not relevant. The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and impairment of financial assets. Set out below are disclosures relating to the impact of adoption of IFRS 9 on the Authority.

(a) Classification and measurement of financial instruments

There were no changes to the classification and measurement of financial liabilities. The measurement category and the carrying amount of financial assets in accordance with

	IAS	39	IFRS 9		
Financial Assets	Measurement Category	Carrying Amount (P)	Measurement Category	Carrying Amount (P)	
Cash & cash equivalent	Amortised cost (Loan and receivables)	51,994,374	Amortised cost	51,994,374	
Trade Receivables	Amortised cost (Loan and receivables)	22,676	Amortised cost	12,293	
TOTAL		52,017,050	IL Marie	52,006,667	

IAS 39 and IFRS 9 at 1 April 2018 are compared as follows:

(b) Reconciliation of impairment allowance balance from IAS 39 to IFRS 9

The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with the IFRS 9 expected loss model at 1 April 2018:

Impairment	Amounts (P)
At 1 April 2018 – calculated under IAS 39	73,770
Amounts restated through opening retained surplus –Transitional IFRS 9 Adjustment	10,383
Opening loss allowance as at 1 April 2018 – calculated under IFRS 9	84,153

(c) Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Authority performed an analysis of its business models for managing financial assets and analysis of their cash flow characteristics. The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9 on 1 April 2018:

Financial Asset	Ref	IAS 39 carrying Amount 31 March 2018	Reclassifications	Remeasurements	IFRS 9 carrying amount 1 April 2018
Cash & cash equivalent Opening balance under IAS 39 and closing balance under IFRS 9	A	51,994,374			51,994,374
Trade Receivables Opening balance under IAS 39 Remeasurement: Expected Credit Closing balance under IFRS 9	В	22,676		(10,383)	12,293
TOTAL		52,017,050		(10,383)	52,006,667

The following explains how applying the new classification and measurement requirements of IFRS 9 led to changes in classification and measurement of certain financial assets held by the Authority as shown in the table above:

Area and Potential Impact of

[Classification & Napplication]	Measurement impact explained as at 1 April 2018 date of initial	Reference
Cash & cash equiv	valent:	
This financial ass	et class is classified as loans & receivables and measured at amortised cost	
	der IFRS 9, these assets continue to be measured at amortised cost because	
	olely payments of principal and interest (SPPI) and business model tests for	
	amortised cost. Cash & cash equivalent are subject to impairment under both	
	. As at 31 March 2018, the impairment provision under IAS 39 was nil as there	
	evidence of impairment.	Α
The Authority has	elected to the apply the simplified approach for impairment of cash & cash	
equivalent because	se the of lifespan of these assets is less than 12 months. The Authority has	
adopted the provis	sion matrix contained in implementation guidance to IFRS 9 as its impairment	
methodology.		
Historical default	rates on deposits held in banks is nil. The review of relevant forward looking	
macro-economic	factors does not suggest possible defaults on bank deposits and	
consequently no p	provision has been raised on adoption of IFRS 9 and at the year end.	
Trade receivables	s:	
For purposes of	measuring the expected credit loss (ECL), trade receivables comprise of	
amounts owing	from related parties which are either some parastatals or government	
departments. The	e Authority does not extend credit facilities to private sector entities. The	
impairment allows	ance has increased by P10,383 on 1 April 2018 as a result of adopting IFRS 9.	
The increase ref	lects a high probability of default on the basis of historical credit risk	
information. In the	e short-term, we do not expect the macro-economic factors such as the GDP	В
to affect expected	d default rates and consequently all default rates applied in the calculation of	_
expected credit lo	sses are based historical credit risk information.	

Parastatals and government departments largely depend on government funding to finance their operations. Considering the longer lead times for disbursement of funds by the Government to Parastatals and government departments, the Authority considers a default to occur when debt is 180 days past due contrary to the presumption of 90 days past due contained in the standard. The Authority therefore rebuts the presumption in the standard that debt is in default after outstanding for 90 days past due.

Consequently, the simplified expected credit loss model has been developed to reflect 180 days past due as a default point.

Adoption of IFRS 15: Revenue from Contracts with Customers

IFRS 15 replaced the previous revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 introduces a five-step approach to revenue recognition. Far more prescriptive guidance has been added to deal with specific scenarios.

The Authority has applied IFRS 15 in accordance with the modified retrospective approach as per IFRS 15.C3 (b). Under this transition method, the Authority elected to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application. The application of IFRS 15 had no impact on the opening balance at 1 April 2018 because there is no change in the pattern and timing of revenue recognition. Apart from providing more extensive disclosures on the Authority's revenue transactions, the application of IFRS 15 had no significant impact on the financial position and/or financial performance of the Authority.

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

Amendments to The Conceptual Framework for Financial Reporting

Effective immediately for the IASB and the IFRS IC. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows:

Chapter 1 – The objective of financial reporting

Chapter 2 – Qualitative characteristics of useful financial information

Chapter 3 – Financial statements and the reporting entity

Chapter 4 – The elements of financial statements

Chapter 5 – Recognition and derecognition

Chapter 6 - Measurement

Chapter 7 – Presentation and disclosure

Chapter 8 – Concepts of capital and capital maintenance

The Conceptual Framework is accompanied by a Basis for Conclusions. The Board has also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to the affected standards in order to update references to the Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. There are exemptions in developing accounting policies for regulatory account balances for two standards, namely, IFRS 3 and for those applying IAS 8.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted.

There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

The directors of the Authority do not anticipate that the application of the amendments in the future will have an impact on the financial statements.

Amendments to IAS 1 and IAS 8 - Definition of Material

Effective for annual periods beginning on or after 1 January 2020.

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

The amendments replaced the threshold 'could influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' in the definition of 'material'. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users.

The current definition refers to 'users' but does not specify their characteristics, which can be interpreted to imply that an entity is required to consider all possible users of the financial statements when deciding what information to disclose. Consequently, the IASB decided to refer to primary users in the new definition to help respond to concerns that the term 'users' may be interpreted too widely.

The definition of material in the Conceptual Framework and IFRS Practice Statement 2:

Making Materiality Judgements were amended to align with the revised definition of material in IAS 1 and IAS 8.

The amendments must be applied prospectively. Early application is permitted and must be disclosed. Although the amendments to the definition of material is not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

IFRS 16 - Leases

This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular.

Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form (Effective Annual periods beginning on or after 1 January 2019).

The directors do not expect material impact to the financial statements on adoption of this standard.

13.2 Foreign currency translation

The Authority's presentation and functional currency is the Botswana Pula ("P").

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

at the exchange rates prevailing at the year end.

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

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security.

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

13. 3 Revenue recognition

(i) Government subvention and grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received, and Authority has complied with all attached conditions. Capital grants are recognised in the statement of financial position on receipt as deferred income and are released to the statement of comprehensive income on a basis matching with the depreciation charge on the assets purchased using the grant.

(ii) Interest income

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

(iii) Registration, Accreditation and Audit Services

The Authority provides registration, accreditation and audit services relating to education.

The directors assessed that the provision of registration, accreditation and audit services

constitutes performance obligations that are discharged over time because the services are performed by an indeterminate number of acts over a specified time frame. Consequently, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue recognition follows a five-step model framework as follows:

Step1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

13.4 Impairment of non-financial assets

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

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

External sources of information

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

Internal sources of information

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

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

13.5 Financial Assets and Liabilities

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Authority revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and recognised on an accrual basis.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

At initial recognition, the Authority measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Authority recognises the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Classification and subsequent measurement

From 1 April 2018, the Authority has applied IFRS 9 and classifies its financial assets as amortised cost.

The classification requirements for debt measured at amortised cost are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Authority's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Authority classifies its debt instruments as amortised cost as follows:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured using the simplified expected loss model. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

Business model

The business model reflects how the Authority manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Authority in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Authority as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL

SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Authority assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Authority considers whether the contractual cash flows are

consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Authority reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Cash and Cash Equivalent

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

Trade receivables

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

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

Impairment of financial assets

The Authority recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost which include lease receivables, trade receivables and contract assets. The amount of expected credit losses

is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Authority always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using simplified ECL model based on the provision matrix. The ECL model takes into account Authority's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Derecognition of financial assets

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected

life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Authority derecognises financial liabilities when, and only when, the Authority's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

13.6 Property, plant and equipment

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

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

Increase in the carrying amount arising on revaluation of land and buildings is credited to other comprehensive income and shown as revaluation reserve in statement of changes in equity. Decreases that off-set previous increases of the same assets are charged against revaluation reserve; all other decreases are charged to profit or loss. The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised. The depreciation methods and periods used by the Authority are disclosed in note 5.1. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at

the end of each reporting period.

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

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

13.7 Intangible assets

Computer Software

Intangible assets comprise of computer software.

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

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- it can be demonstrated how the software product will generate probable future economic benefits:
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software products during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee's costs and an appropriate portion of relevant overheads. Computer software costs recognised as assets are amortized over their useful life on a straight –line basis. The computer software has a finite useful life of 7 years.

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

13.8 Trade and other payables

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

13.9 Project funds and capital grants

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

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

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

13.10 Provisions

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

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

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

13.11 Employee benefits

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

Employees of the Authority are on contract and are eligible for gratuity at the rate of 30% (2017: 30%) of basic pay at the end of the contract. Provision for terminal payments have been made in these financial statements. Employee entitlement to annual leave and contractual gratuity are recognised when they accrue to employees as a result of services rendered by employees up to the statement of financial position date.

13.12 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 normal commercial terms and conditions and accordingly included in profit or loss for the year.

DETAILED INCOME STATEMENT for the year ended 31 March 2019

Annexure I

	2019 P	2018 P
Revenue		
Government subvention Ministry of Tertiary Education Research Science and Technolog Human Resource Development Fund contributions Quality assurance fees Amortisation of deferred capital grants Other income	73,315,146 by - 3,769,750 77,084,896 1,917,172	54,470,686 2,755,983 31,120,620 8,562,492 96,909,781 2,326,799
Miscellaneous Decrease in provision for doubtful debts	46,712 35,439	198,390 -
	82,151	198,390
Total income	79,084,219	99,434,970
Total Expenditure	(89,774,514)	(92,085,983)
Operating (deficit) / surplus for the year	(10,690,295)	7,348,987

DETAILED INCOME STATEMENT for the year ended 31 March 2019

Annexture 1 continued

	2019	2018
Expenditure	Р	Р
Advertising and promotion	(2,456,952)	(3,661,088)
Amortisation charge	(222,107)	(190,634)
Audit fees	(230,317)	(422,576)
Archiving	(168,228)	-
Bank charges	(70,380)	(59,466)
Board fees and expenses	(1,540,531)	(1,040,738)
Computer expenses	(4,266,437)	(3,315,574
Depreciation of property, plant and equipment	(2,293,202)	(2,657,794
Entertainment expenses	(2,897)	(3,845
Examination and allied expenses	(460,907)	(264,191
Gardening services	(73,093)	(66,942)
Insurance	(774,991)	(833,737
Legal fees	(353,971)	(393,120
Library books and materials	(42,330)	(17,550
Maintenance and running costs	(1,169,237)	(1,257,754
Motor vehicle expenses	(382,960)	(270,886
Office cleaning	(409,964)	(392,601
Postage and courier	(38,299)	(48,218
Printing and stationery	(1,606,174)	(1,011,462
Protective clothing	(7,819)	(12,393
Quality Management System expenses	(6,480)	(3,664
Research and consultation	(5,016,969)	(5,912,010
Security	(377,772)	(320,526
Staff costs	(62,227,544)	(65,217,638
Subscriptions	(280,820)	(376,051
Telephone and fax	(366,360)	(292,522
Travelling and accommodation	(2,142,948)	(1,269,420
Water and electricity	(801,589)	(677,193
Workshops and conferences	(1,983,236)	(2,096,390
	(89,774,514)	(92,085,983)
Operating (deficit) / surplus for the year	(10,690,295)	7,348,987

This detailed income statement does not form part of the financial statements covered by the audit opinion on pages 59 to 62.

NOTES	









