

Integrated Annual Report 2021/22



"Building a seamless Education and Training System"



Integrated Annual Report for the year 2021/22



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BQA 2021/22 Through the Lens



*The statistics reflected on this page are extracts of this report.

Approval of the Integrated Annual Report

To the best of our knowledge and belief, we confirm that the Integrated Annual Report has been prepared in accordance with the guidelines based on the following frameworks:


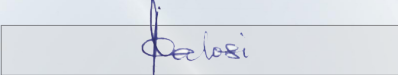


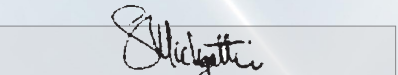



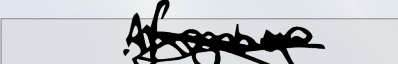
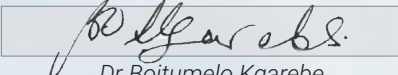

Table 1: Applied Frameworks

Key Frameworks Applied	Integrated Report	Statements
BQA Act of 2013	✓	✓
International Integrated Reporting	✓	
King Report on Corporate Governance™ 2009 (King III)	✓	✓
Botswana Companies Act of 2007, as amended (Cap 42:02) (Companies Act) through the Registrar of Companies	✓	✓
Financial Reporting Act of 2020 through the Botswana Accountancy Oversight Authority		✓
Board Governance Framework	✓	✓
International Finance Reporting Standards (IFRS)		✓

Approval of the Integrated Annual Report

As the Board, we confirm further, that the Annual Integrated Report is complete, accurate and free from any omissions.

In our opinion, this Annual Integrated Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year 2021/22. The Board approved the report on 27 September 2022.

 Mr Gabaake Gabaake	 Prof. Richie Moalosi	 Mr Baakalani Macheke
 Mr Mlungisi Jackalas	 Ms Susan Makgothi	 Dr Hildah Molate
 Ms Kgomotsi Kereng	 Ms Moliehi Mahali Morolong	 Prof. Alinah Segobye
 Dr Boitumelo Kgarebe	 Ms Mercy Conlon	

Operating Context

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

- Provide for and maintain the National Credit and Qualifications Framework.
- Coordinate the education, training and skills development quality assurance system, from early childhood to tertiary level (Lifelong learning).

VISION



A globally competitive, talented, educated, knowledgeable and skilled learner.

MISSION



To regulate the education and training sector to promote inclusive and accessible quality programmes, lifelong learning, and protection of learner interests

VALUES



- Commitment
- Innovation
- Accountability
- Inclusivity
- Collaboration and teamwork

Glossary of Terms

BQA	Botswana Qualifications Authority
BS	Board Secretary
CEO	Chief Executive Officer
DBD	Director Business Development
DCEO	Deputy Chief Executive Officer
DFA	Director Finance and Administration
DHR	Director of Human Resource
DNCQFS	Director of National Credit and Qualifications Framework Services
DQA	Director of Quality Assurance
ETP	Education and Training Provider
EVOKE	Equity, Vision, Outcome, Knowledge and Engagement
EXCO	Executive Committee
GE	General Education
HE	Higher Education
HR	Human Resource
ICT	Information and Communications Technology
IR	Integrated Report
LP	Learning Programme
MQAC	Management Quality Assurance Committee
MQFMC	Management Qualifications Framework Maintenance Committee
NCQF	National Credit and Qualifications Framework
TVET	Technical and Vocational Education and Training
RPL	Recognition of Prior Learning
QAC	Quality Assurance Committee
QFMC	Qualifications Framework Maintenance Committee

Chairperson's Statement



I am delighted to be sharing Botswana Qualifications Authority's Integrated Annual Report for the year 2021/22. The report comes at an exciting time in Botswana, when the nation has joined hands with His Excellency the President, Dr Mokgweetsi Eric Keabetswe Masisi, in the implementation of the RESET Transformation Agenda, geared towards creating a knowledge-based economy and driving a mindset change amongst Botswana. The greatest and most important resource that any nation has is its people and knowledge. Skills are therefore key to unlocking the potential of that resource. At BQA, and the only education regulator in the country, we see ourselves as a key player in making this dream a reality. We therefore embrace the challenge to help Botswana and Botswana become an economy driven by knowledge.

During the 2021/22 financial year, BQA had a two pronged approach, namely, to implement its strategic plan and to speed up the transition from BOTA to BQA. This Integrated Annual Report reflects the achievements and challenges in the process. Even though the transition process faced many challenges, BQA remained highly

focused and unwavering to ensure that Botswana's private and public education sector remains vibrant and viable both in the short and long term. The education sector continued to produce graduates who are highly competitive on the world stage, not only as employees but most importantly as wealth and/or job creators.

In the past two years, the world experienced great turmoil as a result of the advent of the COVID 19 pandemic, resulting in changed dynamics of the global economy. This also affected how education and training is conducted, not only in Botswana but the entire globe. To bring about business continuity and ensure that the Authority minimises risks associated to COVID-19, BQA leveraged on digital optimisation. Great rewards came from re-engineering our processes to reduce human contact and processing times through usage of information technology.

Key highlights of the past year include the review of quality standards to guide the implementation of the NCQF. The Authority has also recorded an increase in the registration of qualifications in the framework and accreditation of NCQF based learning programmes.

This was a step towards ensuring that the quality of education in Botswana has international comparability and recognition. BQA continues to identify market trends and re-engineer quality assurance policies and processes to improve service level standards, and make them to be at par with the best in the world. Key to this process is the continuous engagement with stakeholders to discuss areas of improvement, develop a response strategy and strengthen collaborations to improve quality and learner access.

I am privileged and proud to be leading a highly dedicated team of Board Members, Executive Management and employees who are committed to improving the quality of education and training in Botswana.

I would like to express my sincere appreciation to the Ministry of Tertiary Education, Research, Science and Technology and stakeholders for their continued support to the implementation of the BQA mandate.

Mr Gabaae Gabaae

Chief Executive Officer's Statement



The Revised National Policy on Education (RNPE 1994) emphasised relevance and articulation of qualifications as desirable elements in policy frameworks to develop the human resource. Through the Botswana Qualifications Authority (BQA) Act, No 24 of 2013, the Authority's mandate is to primarily ensure maintenance of the National Credit Qualification Framework (NCQF) that would respond to the new global challenges emanating from technology, green economy, pandemics, and employability, just to name a few.

The year 2021/22 was characterised by enhancements of transformations in processes, as well as changes in the quality assurance systems of different Education and Training Providers (ETPs). During the reporting period, the Authority also engaged more with Professional Bodies and Regulatory Bodies in their quest to attain and maintain quality assurance and professional standards. Positive responses to these notable efforts enabled Botswana to achieve a world class education and training environment. All these efforts worked towards fulfilling the national aspirations of a knowledge driven economy. During the 2021/22 financial year, stakeholders

in the education sector and the Ministry of Tertiary Education, Research, Science and Technology (MoTE), collaborated on strategic measures to manage and normalize the "not so normal working, teaching, and learning environments." The process resulted in interruptions in academic year calendar, as well as introduction of different pedagogical delivery modes by some education and training providers. BQA also experienced the strokes of the pandemic in its operating platforms and therefore transformed ways of engaging with its stakeholders. All these efforts were done under strict observance of the national COVID-19 response protocols, such as use of virtual platforms for meetings and workshops.

The 2021/22 financial year witnessed the inevitable leveraging of technology, that led the Authority to re-engineer and automate its process to bring about, improved turnaround times, as well as to clear the backlog of applications which had been previously submitted to the Authority. Execution of the strategic decisions led us to process more than 80% of backlog applications. 2021/22 was a year that the Authority adopted as its strategy the key principles of Equity, Values, Outcome, Knowledge, and Engagement (EVOKE). The aim

was to improve our performance, set priorities on sector and economic needs and align resources to meet customer demands, not forgetting accessible, equitable, and sustainable notions of quality education.

I am delighted that the 2021/22 Integrated Annual Report, captures and reflects all the improvements in our processes and operations. The financial year was remarkable with 51% of 1003 qualifications registered on the framework, and this led to an improvement in the submission of credit-based learning programmes from education and training providers..

I would like to take this opportunity to thank the Government of the Republic of Botswana for continuing support through the then Ministry of Tertiary Education, Research, Science, and Technology, the BQA Board, for its direction and oversight role and the BQA Management and staff for relentlessly working hard despite the disruptions caused by COVID-19 and other significant challenges.

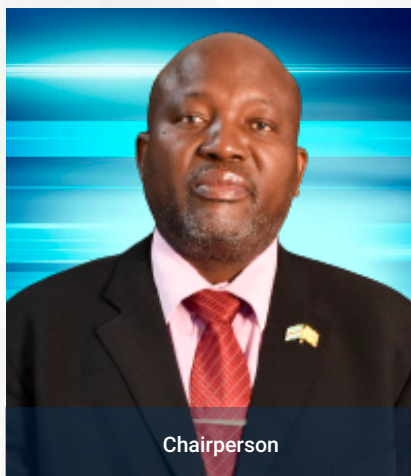
Botsalano Mosimakoko (Ph.D)

The Board and Board Committees

The Governance structures of BQA are established by the BQA Act No.24 of 2013, and the Board and Committee Charters. BQA follows the guidance and principles of King III Code of Corporate Governance as guidance notes for best practice in the execution of the Board's oversight role. The Board is responsible for oversight of the organisation and general high level governance advice to the organisation. Out of a complement of 13 members, the Board has 11 members who were appointed by the Minister in accordance with the BQA Act. The Chief Executive Officer is an ex-officio member of the Board. Members are eligible for two (2) terms of a period not exceeding three (3) years.



Board Members



Chairperson

MR GABAAKE GABAAKE

- Executive Director at Tlou Energy Limited (Botswana).
- Master of Science - Hydrogeology , (University College of London, UK)
- Bachelor of Science – Geology, (University of Botswana).



Member

MS MOLIEHI MAHALI MOROLONG

- Managing Partner and Legal Practitioner at Morolong Legal Practice, (Botswana).
- Bachelor of Laws (LLB), (National University of Lesotho).
- Bachelor of Arts in Law (BA Law) (National University of Lesotho).



Vice Chairperson

MS SUSAN MAKGOTHI

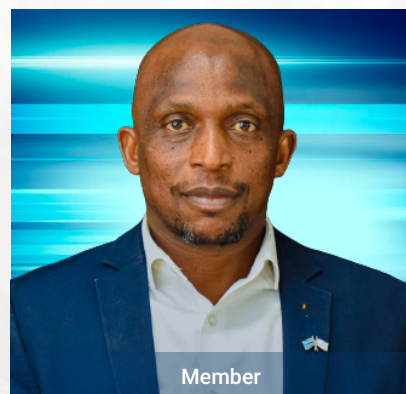
- Master of Arts in Educational Planning and Management, (UNESCO International Institute of Educational Planning, France).
- MEd. - Science Education (University of Bristol, UK).
- BSc. and concurrent Certificate in Education, (University of Botswana and Swaziland).
- Diploma in Advanced Studies in Education (University of Bristol, UK).



Member

MS KGOMOTSO KERENG

- Consultant at ExcoConsulting, (Perth, Western Australia).
- Fellow Chartered Management Accountant (Chartered Institute of Management Accountants- CIMA).
- CIMA (Chartered Institute of Management Accountants), (BAC, Botswana).
- HND Accounting and Business Studies (BIAC, Botswana).
- Global Executive Development Program with (GIBS and London Business School).



Member

MR MLUNGISI JACKALAS

- Managing Consultant at Tsa Mmereko (Botswana).
- Master Commerce in Organisational Psychology (University of South Africa).
- BCom (Hons) in Organisational Psychology - (University of Cape Town, South Africa).
- BA in Economics and Organisational Psychology (University of Cape Town, South Africa).
- B.Com – Organisational Psychology (University of South Africa).



Member

DR HILDA MOLATE

- Chiropractor at Princess Marina Hospital and Public Health Specialist (Botswana).
- Doctor of Chiropractic, (Davenport, USA).
- Master of Public Health, (Perth, Australia).
- Bachelor of Nursing Science, (University of Botswana).
- Post Basic Community Mental Health Nursing.

Board Members



Member

PROFESSOR ALINAH SEGOBYE

- Extraordinary Professor at Northwest University and Research Scholar at the African Futures Institute, (South Africa). Ph.D in Archaeology, (University of Cambridge, UK).
- M.Phil. Archaeology, (University of Cambridge, UK).
- B.A. (Humanities) Degree, (University of Botswana).
- Postgraduate Diploma in Education, (University of Botswana).
- Post-graduate Certificate in African Archaeology, (Free University of Brussels, Belgium).



Member

MR BAALAKANI MACHEKE

- Director of AECOM Africa (Botswana).
- BSc. (Hons) in Quantity Surveying, (University of Central England, Birmingham, UK).



Member

DR BOITUMELO KGAREBE

- Head the Analytical Services Department at the National Institute for Occupational Health (NIOH) (Johannesburg, South Africa).
- Ph.D in Analytical Chemistry, (University of London, UK).
- MSc in Analytical Chemistry, (University of London, UK).
- BSc. (Hons) in Chemistry.
- Supervises research at the Wits University Division of Forensic Medicine and Pathology, and lectures at the School of Chemistry.



Member

MS MERCY CONLON

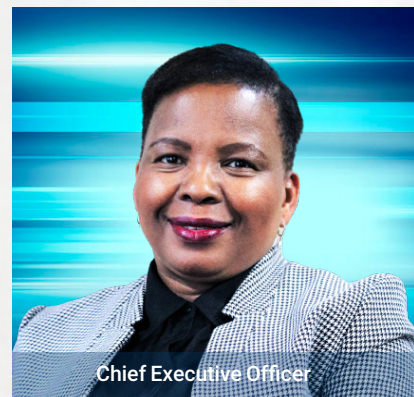
- Strategy and Business Improvement Manager, Debswana Corporate Center, (Botswana).
- MSc. in Computer Information Systems - Networking, (University of Maryland, Baltimore County, USA).
- MSc. in Strategic Management, (Derbyshire Business School, UK).
- BSc. in Computer Information Systems – Systems Analysis and Design, (University of Maryland, Baltimore County, USA).



Member

PROFESSOR RICHIE MOALOSI

- Professor at Faculty of Engineering and Technology, University of Botswana.
- Ph.D in Industrial Design (Queensland University of Technology, Australia).
- MA Design (University of Wolverhampton, UK).
- Bachelor of Education – Design and Technology (University of Botswana).

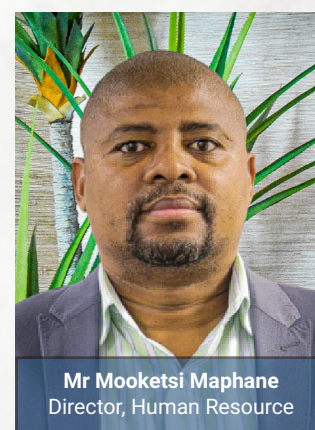


Chief Executive Officer

DR BOTSALANO MOSIMAKOKO

- Chief Executive Officer at Botswana Qualifications Authority.
- Ph.D (Program Evaluation and Comparative Education University of Ottawa, Canada).
- Masters in Education (Science Education, Evaluation and Curriculum Studies, University of Botswana).
- Bachelor of Education (University of Botswana).

Executive Management



Governance Statement

During the year 2021/22, there was a complete change of the Board members. Eight (8) members tenure came to an end and eleven (11) Board members were appointed during the reporting period. The Board possesses the right balance of training, experience, and skills required for continuity and diversity.

Board Composition and Tenure

During the reporting period, the Board delegated some of its oversight responsibility to its established Board Committees (see page 11 *Board committee structure*). A resolution was taken for the following members in table 2 to be chairpersons of the Board Committees.

Table 2: Board Committees

Name of Board Member	Committee
Ms Kgomotso Kereng	Finance Committee
Prof. Alinah Segobye	Quality Assurance Committee
Dr Boitumelo Kgarebe	Qualifications Framework and Maintenance Committee
Prof. Richie Moalosi	Tender Committee
Ms Susan Makgothi	Human Resource Committee
Ms Mercy Conlon	Risk and Audit Committee
Ms Moliehi Mahali Morolong	Appeals Committee

- The Board Secretary was assigned to facilitate and source independent professional advice for the Board. This included independent legal advice and legal representation for Appeals.
- The new Board was inducted on BQA core business on the 17th of March 2022 where management presented on internal processes and procedures. The Board attended a Board Governance training which was mounted by Wise Leadership Botswana on the 18th of March 2022.

Board Remuneration

01 April 2021 to 31 March 2022

The total Board remuneration for meetings for the year 2021/22 was P499, 950.00, being remuneration for combined attendance of a total of for one hundred and six (106) meetings. The remuneration included attendance at events such as Board training, induction, interviews and stakeholder engagements. Attendance at such events is reflected in table 3 and 4 respectively.

BOARD REMUNERATION 01 APRIL TO 31 JULY 2021

Table 3: Board Meetings and Remuneration (Old)

NAME OF BOARD MEMBER	NUMBER OF SCHEDULED MEETINGS	NUMBER OF SPECIAL BOARD MEETINGS	NUMBER OF COMMITTEE MEETINGS	TOTAL NO. OF MEETINGS	AMOUNT PAID
Mr Charles Siwawa	2	11	-	13	29,250
Mr Barulaganye Mogotsi	2	12	7	21	40,950
Mr Busie Moepi	2	8	6	16	31,500
Mr David Slater	2	10	9	21	41,850
Mr Joseph Matome	1	8	-	9	16,200
Mr Boniface Mphethle	0	6	5	11	22,050
TOTAL					181,800

BOARD REMUNERATION 01 AUGUST 2021 TO 31 MARCH 2022

Table 4: Board Meetings and Remuneration (Current)

NAME OF BOARD MEMBER	NUMBER OF SCHEDULED MEETINGS	NUMBER OF SPECIAL BOARD MEETINGS	NUMBER OF COMMITTEE MEETINGS	TOTAL NO. OF MEETINGS	AMOUNT PAID
Mr Gabaake Gabaake	2	9	-	11	24,750
Mr Baalakani Macheke	1	2	-	3	5,400
Mr Mlungisi Jackalas	1	2	-	3	5,400
Dr Hilda Molate	1	2	-	3	5,400
Ms Mercy Conlon	3	11	4	18	33,750
Prof. Richie Moalosi	3	11	8	22	40,500
Ms Mahali Morolong	3	14	8	25	45,900
Ms Susan Makgothi	3	13	9	25	53,550
Dr Boitumelo Kgarebe	3	12	15	30	60,750
Prof. Alinah Segobye	3	12	7	22	42,750
TOTAL					318,150

Table 5: Board Sitting Allowances and Expenses

Date	Description	Amount
Board members		
31.03.2022	Board members sitting allowance	499,950
Committees- Non Board Members		
31.03.2022	Human Resources	101,700
31.03.2022	Finance	34,200
31.03.2022	Tender	32,400
31.03.2022	Risk and Audit	56,250
31.03.2022	Quality Assurance	109,800
31.03.2022	Qualifications Framework Maintenance	155,250
31.03.2022	Appeals	10,800
Board Expenses		
31.03.2022	Board Expenses	196,355
31.03.2022	TOTAL	1,196,705

Refer to financial statements note 2.2 Administration expenses - Board fees and Expenses

Material Matters

In determining materiality for the 2021-22 Annual Integrated Report, the Authority considered matters that had substantively affected or had a potential to affect the organization's strategy and discharge the mandate. Matters that were considered were subjected to the requirements of IR materiality of relevance, importance and prioritisation and the following key points were considered;

- Whether a matter was of financial impact
- Whether a matter had a impact on stakeholder needs
- Whether a matter was of priority to stakeholders

The diagram below represents matters considered to be material in this reporting period.

Figure 1: Matters of materiality



Critical Board Decisions

During the 2021/22 reporting period, the Board attended both scheduled quarterly meetings and special meetings and below are some of the noteworthy decisions that were taken;

1. To award Tender No. BQA PR 005/2021/22 to Botswana Telecommunications Limited for the provision of internet services to BQA Offices at an amount of P2,683,965.22 for a period of 36 months.
2. To award the Tender for provision of home internet for BQA staff members to Botswana Telecommunications Limited at a price of P2,285,820.00 for a period of 36 months.
3. To adopt the BQA EVOKE Corporate Strategy 2021-2026.
4. To change Accounting Policy on Land and Buildings..
5. To adopt requirements for one to be registered and accredited as an Assessor or Moderator at NCQF Level 10.
6. To adopt the project plan and project budget for Learning Programmes accreditation amounting to P6,795,588 and deadline for transition to be extended to 30 June 2022
7. To adopt the revised Virement Policy.
8. To extend terms for Board Committee members whose terms were ending in March 2022 were extended to September 2022.
9. To extend the transition period for legacy Learning Programmes from 2nd December 2021 to 30th June 2022.
10. To delegate Authority for NCQF levels 1-5 to MQAC and MQFMC and levels 6-7 to QAC and QFMC.
11. To lift the deferral of applications for registration of health related qualifications which are not included Schedule B of the Botswana Health Professional Council Act.
12. To select Board Committee Chairpersons and Vice-Chairpersons from among the Board members.
13. To consider five (5) Appeals.
14. To embark on stakeholder engagement meetings with Professional Bodies on a quarterly basis on accreditation matters.

DELEGATED AUTHORITY

- **Management Qualifications Framework Maintenance Committee (MQFMC)**
 - » Final decision on applications for registration of certificate levels 1 to 5, and make recommendations to QFMC for level 6 and above full qualifications.
- **Qualifications Framework Maintenance Committee (QFMC)**
 - » To make decisions on all applications for registration of qualifications for levels 6 and 7.
 - » To recommend to the Board applications for registration of qualifications for levels 8 to 10.
- **Management Quality Assurance Committee (MQAC)**
 - » To make final decisions on TVET Consultancies and make recommendations to QAC for final decisions on Registration and Accreditation of ETPs offering programmes up to NCQF Level 5.
- **Quality Assurance Committee (QAC)**
 - » Make final decisions on Registration and Accreditation of ETPs offering programmes from NCQF Level 6 and Awarding Bodies which grants awards at the same level and do not fall into the University category.
 - » To make decisions on all LPs from NCQF Levels 6 and 7.
 - » To recommend to the Board application for accreditation of LPs from levels 8 to 10.

National Credit and Qualifications Framework Services

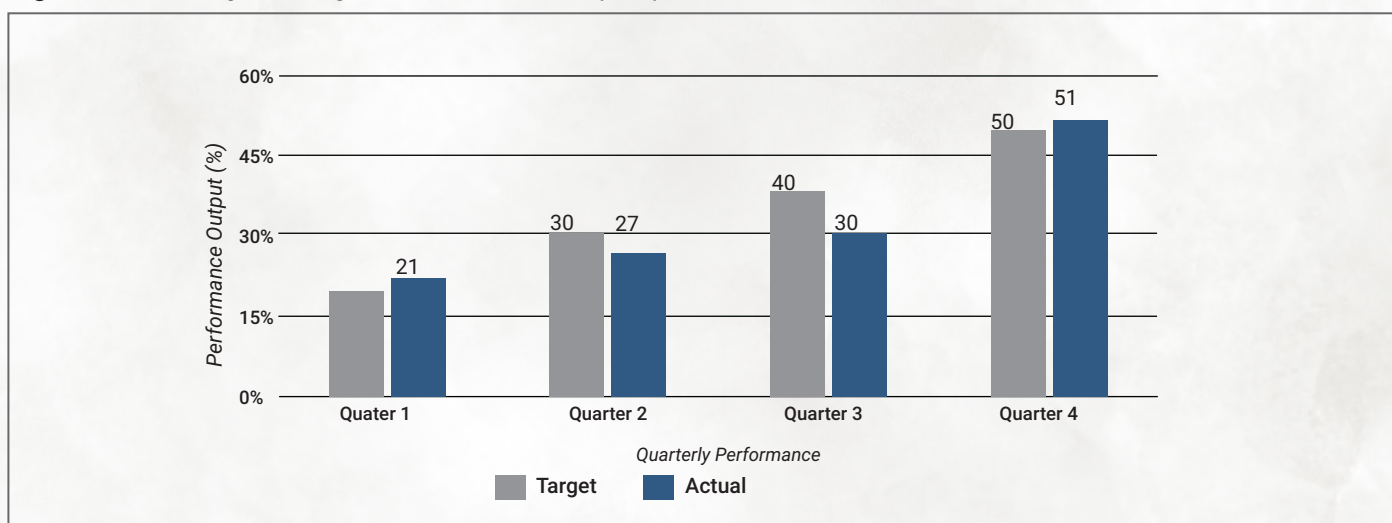
REGISTRATION OF QUALIFICATIONS

The Authority continued to offer NCQF services which included the Registration of Qualifications on the NCQF. This was to ensure their relevance to social and economic needs and the international comparability of qualifications registered on the NCQF. At the time of reporting, the Authority cumulatively registered five hundred and seven (507) qualifications. This was an increase of three hundred

and fifty four (354) additional qualifications registered 2021/22.

The strategic target for Registration of Qualifications in the year 2021/22 was 50% of one thousand and three (1003), which is the total number of applications received by the beginning of the year. The Authority's quarterly performance against this annual target is presented in Figure 1.

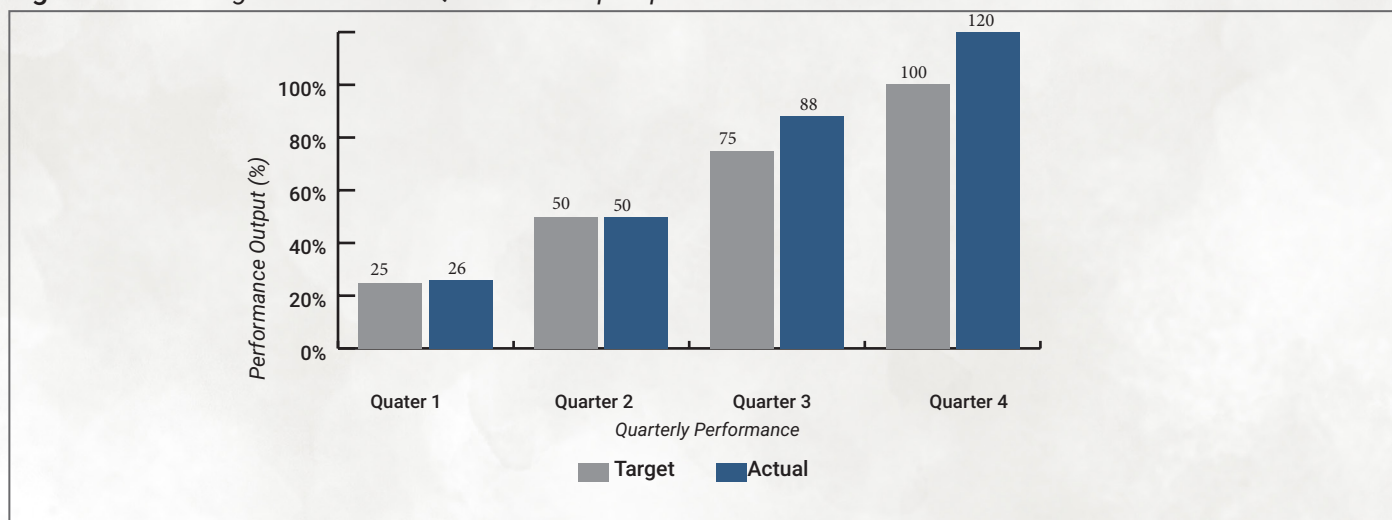
Figure 1: Percentages of Registered Qualifications per quarter



EVALUATION OF QUALIFICATIONS

One of the BQA's corporate strategic objectives is to optimise the implementation of the NCQF. To operationalise this objective, local and external qualifications were evaluated for recognition. The annual target for evaluation of qualifications was set at one thousand four hundred (1400). Cumulative actual performance showed a steady increase during each quarter. Quarter 1, Quarter 2, Quarter 3 and Quarter 4 were 26% (364), 50% (700), 88% (1232) and 120% (1680) respectively, as presented in Figure 2 below. This is an indication of increase in evaluated qualifications in the reporting year.

Figure 2: Percentages of Evaluated Qualifications per quarter

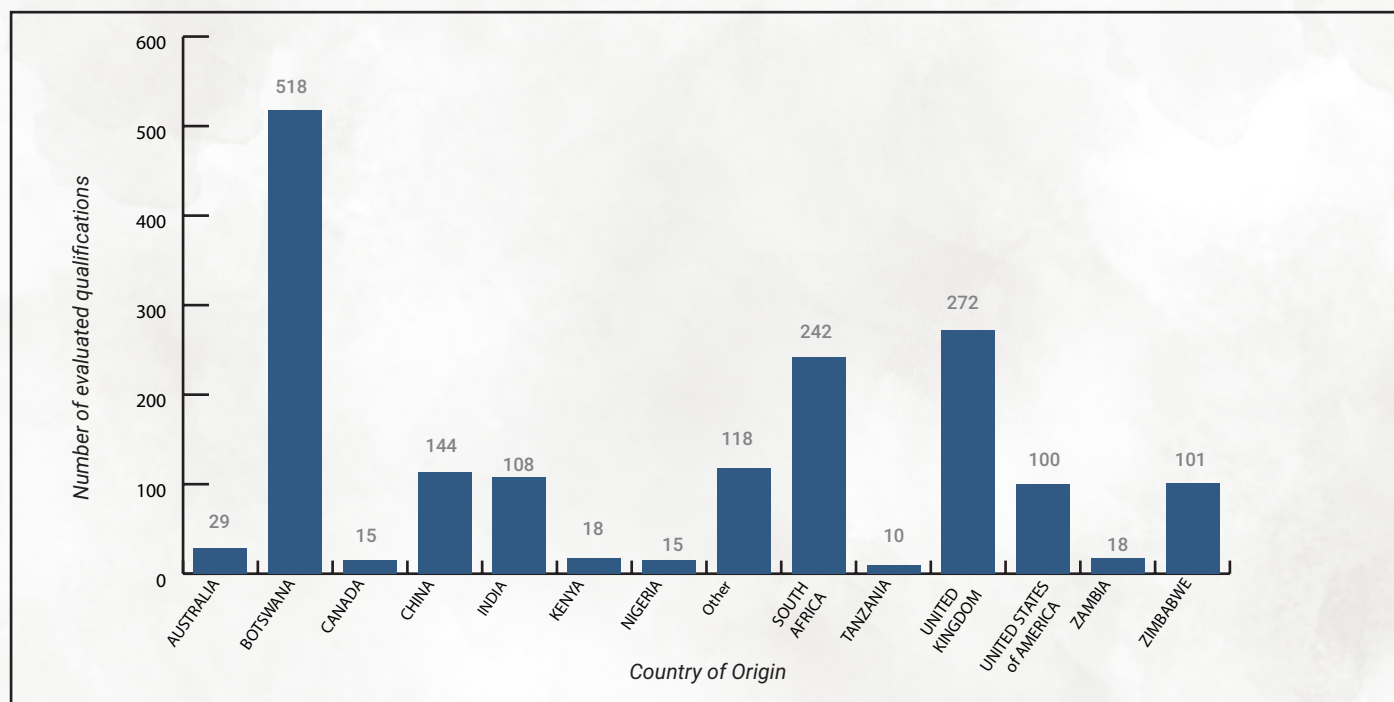


One of the objectives of the NCQF is to facilitate access and progression within education and training and career path, as stated in the Botswana Qualifications Authority (National Credit and Qualifications Framework) Regulations, 2017 Regulation 3 (b). BQA continues to receive applications for Evaluation of Qualification for different purposes including, employment, further studies, registration with a professional body and immigration.

EVALUATION OF QUALIFICATIONS BY COUNTRY

During this reporting year, local qualifications constituted a large number of evaluated qualifications, 518 (31%), followed by external qualifications from the United Kingdom 272 (16%) and South Africa 242 (14%). (See figure 3)

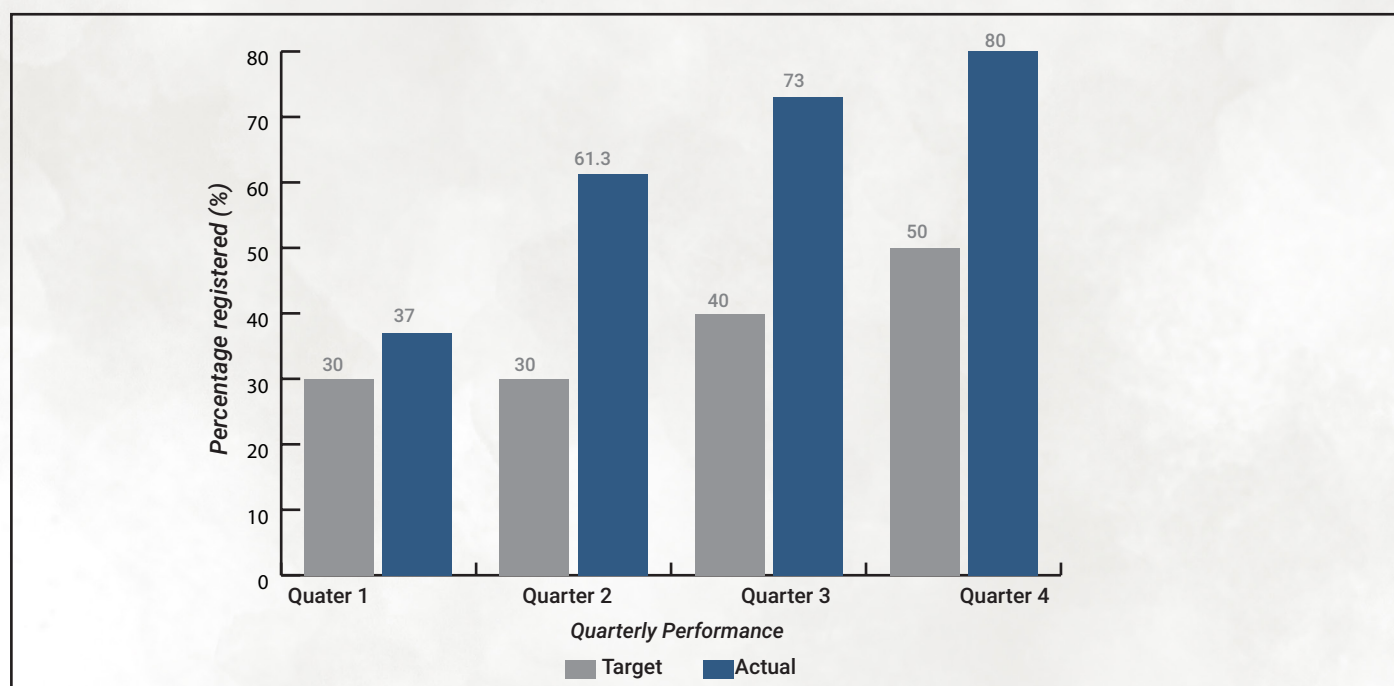
Figure 3: Qualifications Evaluated by Country of Origin



ASSESSOR AND MODERATOR REGISTRATION AND ACCREDITATION

The Authority, through the process of registration and accreditation of Assessor and Moderator ensures that all assessment and moderation activities performed by Education and Training providers are conducted by personnel who possess the rightful knowledge, skills, and competencies. During the reporting period, a total of 238 assessors and moderators were registered and accredited against a target of 298. In quarter 1, 90 (37%) assessors and moderators were registered and accredited, 110 (61%) in quarter 2, 218 (73%) in quarter 3, and 238 (80%) in quarter 4. This performance is presented in figure 4.

Figure 4: Registration and Accreditation of Assessors and Moderators



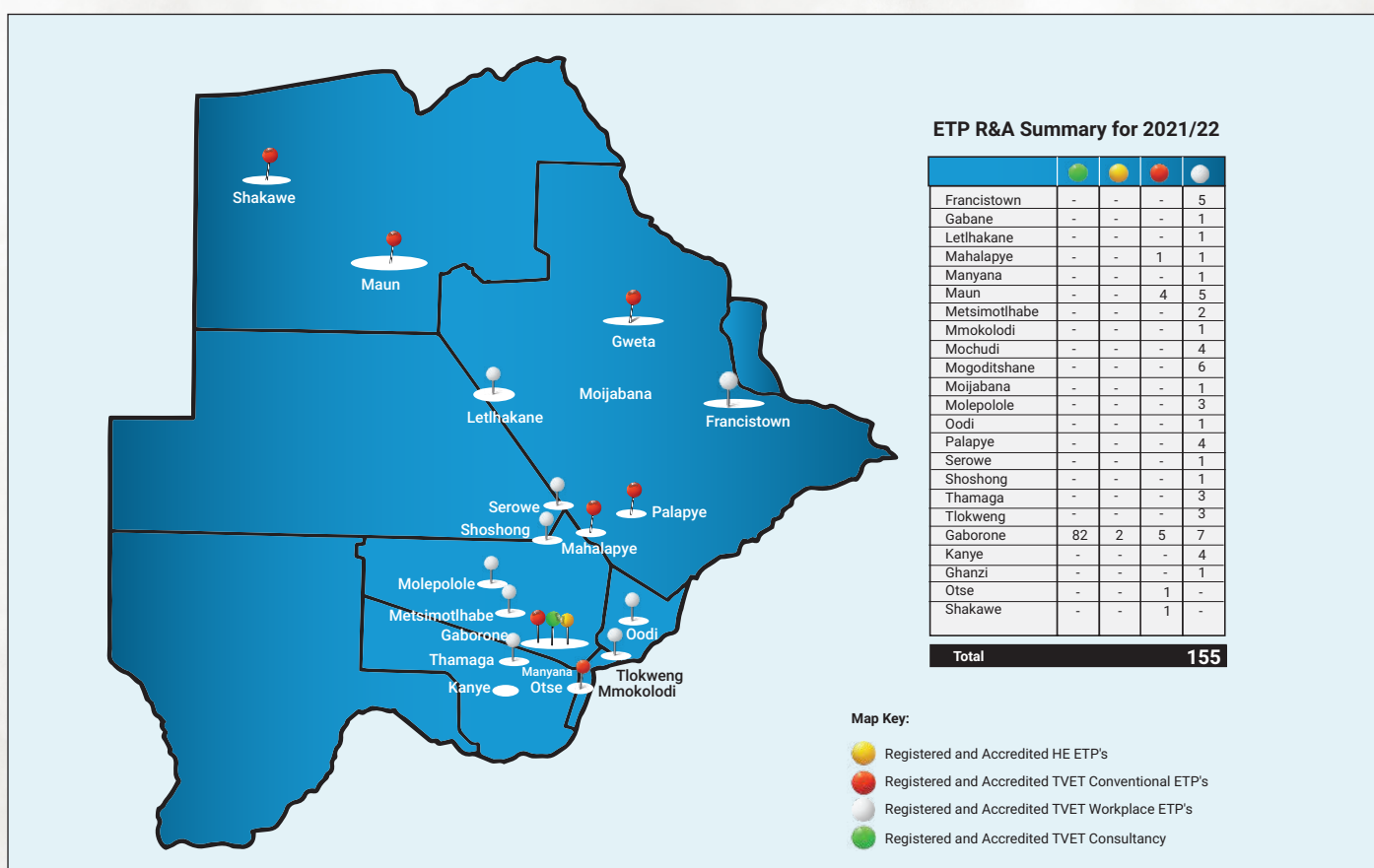
Quality Assurance in Education and Training

For the reporting period, the quality assurance activities conducted included registration and accreditation of Education and Training Providers (ETPs) and Awarding Bodies, Recognition of Non-Credit Bearing Short Courses NCBCs, accreditation of learning programmes in Higher Education and Technical Vocational Education sub frameworks, as well as auditing and monitoring of ETPs in the two sub frameworks.

The function of recognition of NCBSC's was transferred to Human Resources Development Council (HRDC) on 01 April 2021.

The Authority has not commenced the quality assurance of the General Education sub framework. Figure 4 below, provides the registration and accreditation of ETP's by location. (Table 5 below shows the total number of Non- Governmental ETPs registered, Accredited Learning Programs and NCBSCs recognized during the reporting period.

Figure 4: *Registration and Accreditation of ETPs by location.*

**Table 5: Recognition/Registration and Accreditation**

CATEGORY	TOTAL
Non-Governmental Education and Training Providers	1
Accredited Learning Programmes for Higher Education	125
Accredited Learning Programmes for TVET	23
Recognition of Non-Credit Bearing Short Courses (Old submissions before transfer to the HRDC)	168

INSTITUTIONAL AUDIT

The Authority undertakes monitoring and auditing of registered and accredited ETPs to ensure continued compliance with set Quality Assurance Standards. During the review period, fifty four (54) ETPs were audited. Out of those, four (4) were put on Corrective Action Plan (CAP) monitoring whilst four (4) others were not successful for registration and accreditation and were therefore monitored to ensure that the already registered learners completed their programmes. The rest, forty six (46) were subjected to the new cycle of monitoring audits.

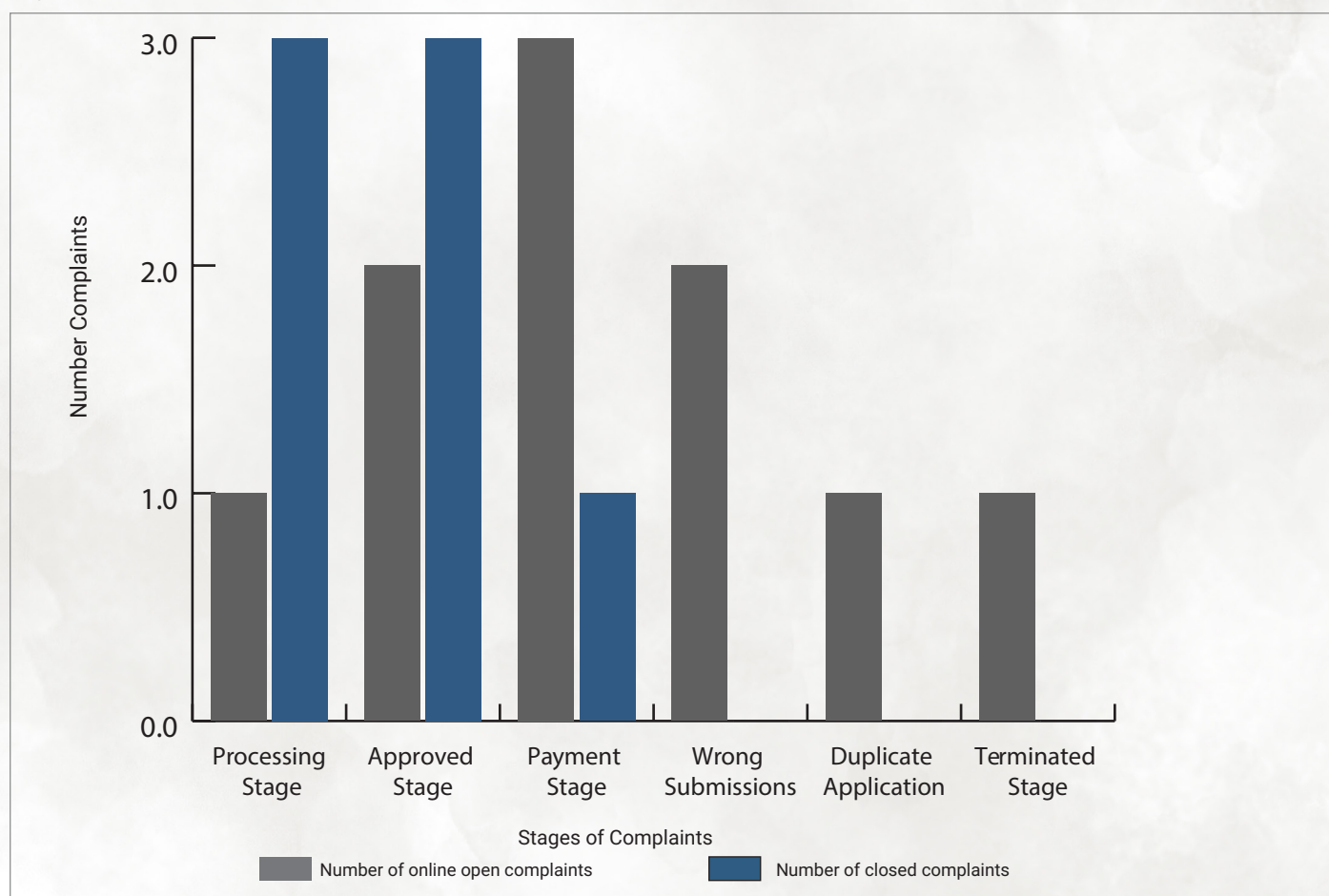
Education and Training Providers (ETPs) adverts on the media was one method used to prompt targeted audits.

Adverts indicated non-compliance where three (3) entities advertised to offer unaccredited learning programmes. The entities were not registered and accredited by the Botswana Qualifications Authority as Education and Training Providers (ETPs). Two (2) of the entities had agreements with awarding bodies that were neither accredited nor recognised by the Authority. The Authority has since taken measures in enforcing its regulations on these entities. While some of these cases are yet to be resolved and brought to conclusion, the Authority shall continue to process learner's complaints and investigate leads on non-compliances.

ONLINE SUBMISSIONS COMPLAINTS

In 2021/22, the Authority received 4085 applications through the Online Submission Portal, which were assessed for completeness before being assigned to the relevant departments for processing. Of the total number of applications received online, there were 17 complaints. The following table represents the number of complaints received at each stage and number of closed complaints.

Figure 5: *Online Submissions Complaints*



Received 17 complaints at various stages of the online submission process, 7 complaints were closed as at year-end. The remaining 10 complaints are being processed.

Infusion of ICT in Process Efficiency

A lot of progress was made to introduce ICT in a number of the Authority's processes and functions to bring about continuity and efficiency. These are presented pictorially below.

In-house development of the Performance Management Information System (PMIS) and the Authority's website.

Online submissions and payment gateway which enabled the availability of BQA services from anywhere in the world.

- applicants to submit and pay for BQA services in the comfort of their homes and offices.

Establishment of a Disaster Recovery site to enable high availability of BQA services.

Online meetings through Microsoft Teams.

Virtual Private Network (VPN) to ensure access to the BQA network and on-premise services.

Implementation of a Business Intelligence (BI) solution for management dashboards

- ✓ The BI solution integrates data and avails management reports instantly.

Payment Gateway



The Authority implemented an Online Payment System effective 01 September 2021. An online payment system is a way of making transactions or paying for goods and services through electronic methods. The objective of implementing an online payment system was to provide BQA customers with a convenient payment experience. Furthermore, during the COVID-19 Pandemic, the Authority had to find ways of avoiding human contact to safeguard employees and customers from getting affected by the COVID-19 Virus. Due to this, the need for contactless payments increased.

During the reporting period, the Authority recorded fifteen thousands (15000) transactions through the online payment system.

The online payment system has improved service delivery as follows:

- i. Provided customers with fast and flexible payment option, minimising, or eliminating physical visits to the banks or BQA offices, therefore increasing customer satisfaction.
- ii. Elimination of manual confirmation of payments and improved turnaround times on reconciliations.
- iii. Accurate record of transactions through reports/statements generated from the online payment system.
- iv. Reduced risk of cash theft

Re-Engineering of Processes

In order to bring about efficiency and reduce turnaround time, many processes were improved as presented below.

QUALITY ASSURANCE RE-ENGINEERED PROCESSES

- Risk Based and Standard Based Approach: Confidence in ETPs QA Systems,. Place confidence in the Internal Quality assurance structures of respective ETPs.
- A reduction in the assessment criteria by removing requirements that were similar to those addressed in ETP R & A process
- Recognise contribution of Professional Bodies, Regulatory Bodies and other stakeholders in accreditation of LPs.
- A requirement for ETPs to obtain endorsement from professional bodies/ Regulatory Bodies, where necessary, prior to submitting learning programmes for accreditation.
- Online submission of application has been modified to facilitate efficient submission and processing of applications.
- Improved turn-around-times and customer satisfaction.

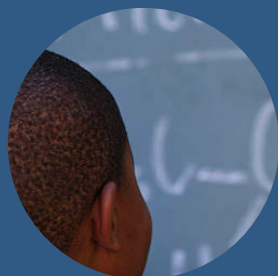
NCQF RE-ENGINEERED PROCESSES

The Authority reviewed the process of registration of qualifications:

- This process improved the output of the qualifications backlog project.
- Engagement of subject matter experts was suspended.
- Qualifications Developers were requested to provide evidence on the quality assurance structures that quality assured the qualifications.
- Provided academic and professional credentials of those who developed the qualifications.
- Left the responsibility of seeking endorsement for professional qualifications to Developers.
- In quarter four (4) the re-engineered evaluation of the qualifications process was implemented which resulted in eliminating the need for the Authority to directly request verification of qualification from awarding bodies, instead, this responsibility has been delegated to the applicant.

Stakeholders

Figure 7: Stakeholders



Learners



Regulated Entities



Professional Bodies



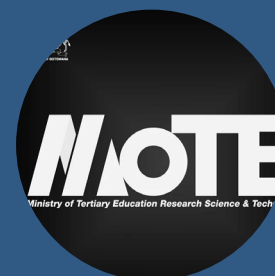
Peer Reviewers



BQA Staff



Media



Ministry

Customer Service Division: They handled a lot of enquiries online, telephonically, email and on social media such as WhatsApp, Twitter, LinkedIn and in some cases walk-ins. The Website was also improved to provide responses to specific enquiries. Public notices and promotions were also shared through various digital platforms. Traditional platforms in print, radio and TV were also utilized to increase stakeholder reach.

Inter departmental communication: Interdepartmental communication was also extended and improved with the intranet playing a crucial role between departments and divisions. This led to improvements in templates to improve information packaging, improved events management, process changes and resulting in a synergy of processes and activities.

One to one Stakeholder Engagements: By 31st March 2022, a total of ninety-five (95) ETP's had been engaged at a one-on-one level. The engagements provided an opportunity for the authority to identify challenges faced by ETP's regarding BQA services, in particular, submissions of LP's. Furthermore, the Authority managed to obtain feedback on other areas to improve their services and visibility.

Information and Communication Technology: The Authority leveraged on ICT to deliver instant communication to its customers, especially through social platforms such as Facebook,

Capacity building: Several workshops were mounted for stakeholders across the country, with others held online to mitigate the COVID 19 factor.

STAKEHOLDER ENGAGEMENT

BQA is a customer-focused organisation with a Customer Service Division that aims to enhance customer experience, meeting requirements and needs in all customer interactions. One of the core values is customer focus, where commitment towards customer needs is put at the forefront of everything we do. Customer Service Division

ensures that customers are guided accordingly and understand application requirements for their services.

In 2021/22, the Authority received 4085 applications through the Online Submission Portal, which were assessed for completeness before being assigned to the relevant departments for processing.

The Customer Service division receives a high number of enquiries regularly, through various communication channels (online, telephone, email, WhatsApp/SMS and walk-ins). To meet customer needs, a set of common questions and answers are available on the website. This assists customers to get answers at their convenience.

Stakeholder Relations

Optimisation of the intranet to communicate with internal stakeholders provided an effective and efficient flow of communication between the organisations departments and divisions. Various templates have been introduced to improve information packaging and boost employee engagement. Internal communication provided a holistic view of various activities in the organisation which included events, process changes, top-down messaging from leaders to employees and other emerging issues.

The Authority embarked on a One-on-One stakeholder engagement exercise with Education and Training Providers

(ETPs) and Qualification Developers virtually. A total of ninety five (95) Education and Training Providers were engaged by 31 March 2022. The engagements created an opportunity for the Authority to identify challenges faced by ETPs regarding BQA services in particular, the submissions of Learning Programmes. Furthermore, the Authority wanted to solicit feedback, improve stakeholder relations and provide visibility. The website content was reviewed to improve ease of use, navigation, look and feel and create value addition.

BQA continued to leverage on Information and Communication Technology (ICT) to deliver instant and prompt communication with its customers, especially through its social media platforms. Social media platforms such as Facebook were used to provide real-time responses. Other platforms such as Twitter and LinkedIn were used to advertise and communicate with clients. Public notices, adverts, video promotions and announcements were shared through corporate digital platforms. Traditional channels in print and broadcast were also utilised to increase stakeholder reach.

Technical Support

Beyond general enquiries by customers, the Authority has the capacity building service which provides technical support to assist stakeholders in understanding the mandate and role of BQA in the ecosystem. Capacity building is conducted through workshops to assist stakeholders with interpreting and implementing quality assurance standards. Another development is that the Authority has improved service delivery by providing online access to customers where requests for a capacity building service can be submitted through an online portal. BQA plans to hold some of the capacity-building activities using online platforms because they have proven to be cost-effective and impactful. This is one of the Authority's initiatives to ensure business continuity using digital media in a period where physical interaction is limited due to the COVID-19 Pandemic.

Research Activities

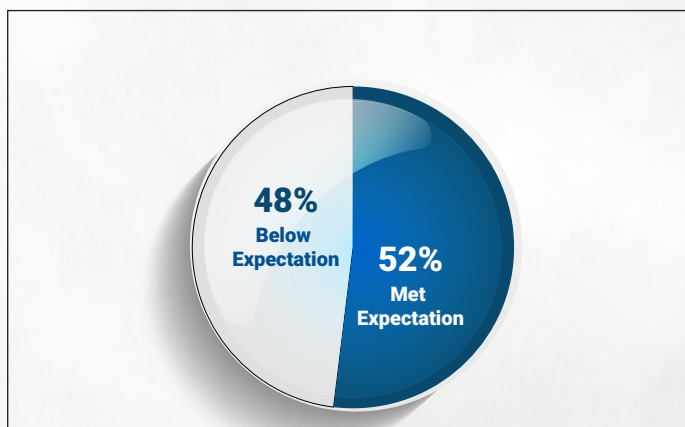
Research studies and surveys were carried out on issues relating to education and training to support evidence-based decision-making. Four research surveys were conducted. These are:

- Post service survey
- Stakeholder pre-consultation survey
- Learning programmes prioritisation survey
- BQA COVID-19 vaccination survey

POST SERVICE SURVEY

The Authority conducted quarterly post-service surveys to gather customer feedback on the quality of services provided and to determine the level of customer satisfaction and gather perceptions about the performance of BQA in general. This is summarized in Table 6 below.

Figure 6: Quality of service received



STAKEHOLDER PRE-CONSULTATION SURVEY

Ninety six (96) out of hundred and thirty six 136 Education and Training Providers (ETPs) and Awarding Bodies were engaged on One-on-One consultative meetings. The surveys were conducted to establish the needs and challenges faced by customers in submission of their Learning Programmes to the Authority. Below are the highlights of our customer responses.

Figure 7: Submission of Prioritised LPs

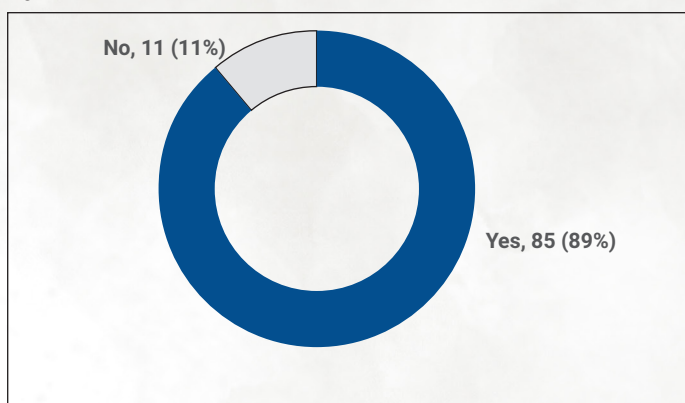
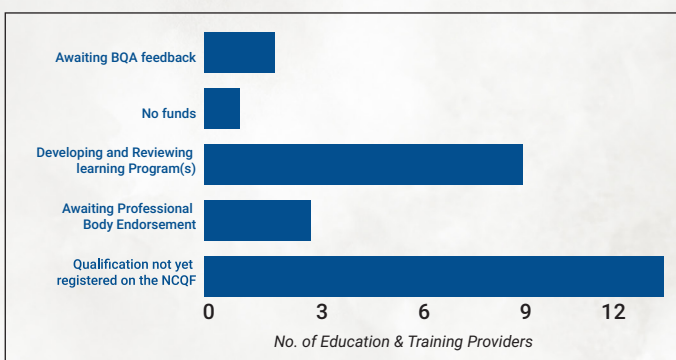


Table 7: Received Applications

Received any updates on your applications from BQA?		
Response	Number of responses	Percentage
Yes	23	29.1
Not for all of them	20	25.3
No	36	45.6
Total	79	100

Figure 8: Reasons for not submitting legacy Learning Programmes for transition.



LEARNING PROGRAMME PRIORITISATION SURVEY

The survey was conducted to identify Learning Programmes that were deemed a priority for submission of accreditation by ETPs. The survey also collected data for transiting Learning Programmes replacing those from legacy systems. The information was used to map learning programmes against the Registered NCQF Qualifications and to inform the plan for processing Learning Programmes submitted to BQA. A total of 90 of 135 ETPs submitted their list of learning programmes to the Authority.

SUBMISSION OF LEARNING PROGRAMMES

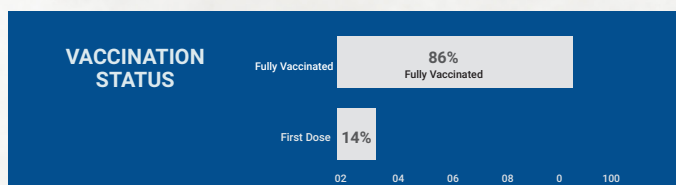
Table 8: Submitted Learning Programmes

Subsystem	Number of ETPs that Submitted	Number of Legacy Programmes	Number of Programmes replacing legacy	New Programmes	Total
TVET	56	363	426	384	1229
HE	34	385	465	410	1294

BQA COVID-19 VACCINATION SURVEY

The Authority conducted a COVID-19 vaccination survey with the intention to determine the vaccination level of its workforce and to reinforce strategies that could combat the severity of the COVID-19 Pandemic in the organisation. The online survey attracted 89 responses from BQA employees.

Figure 10: Vaccination Status



Risks and Opportunities

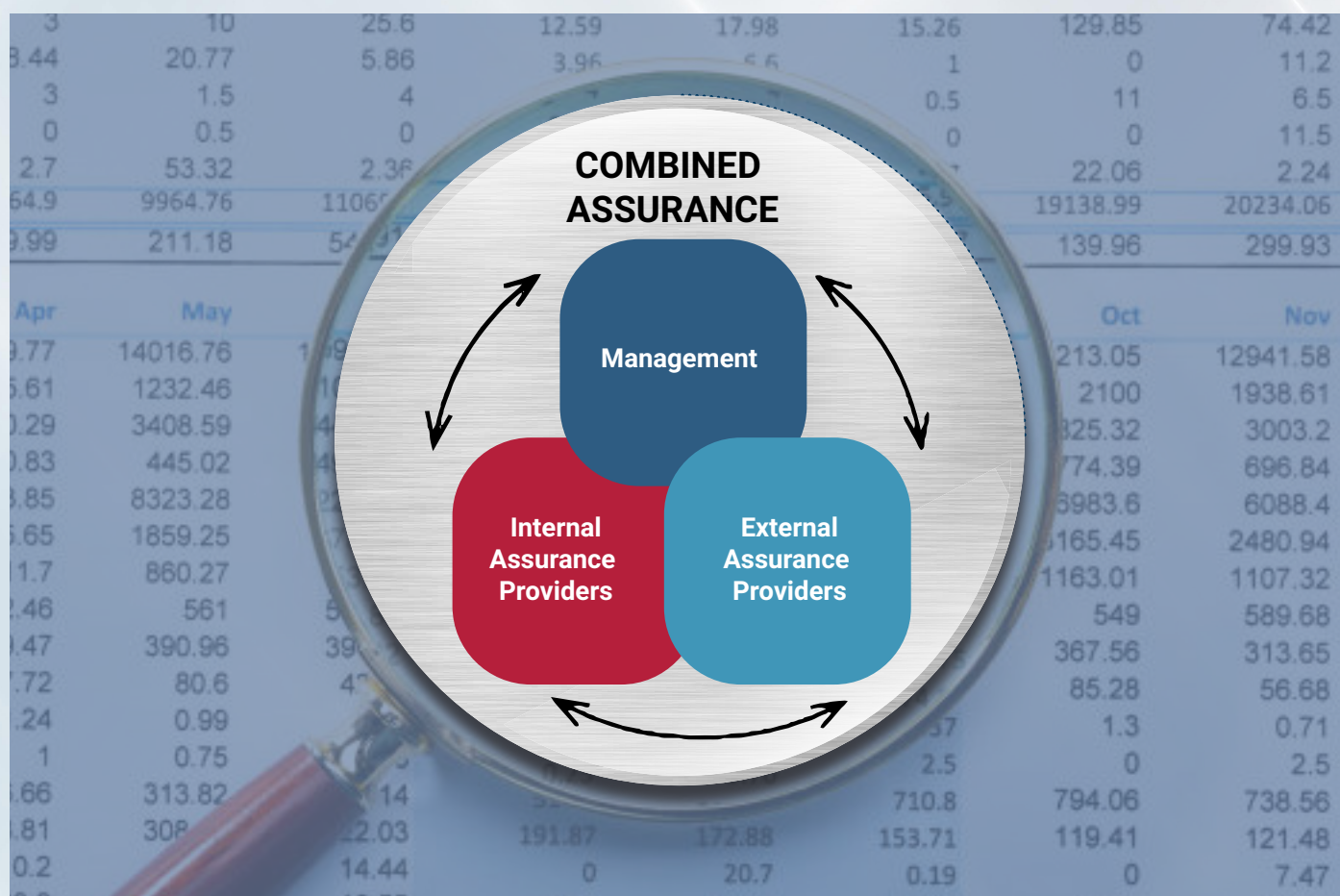
Mitigating Environmental and Social Risks

Through the provision of services that affect the national qualifications and quality standards for ETPs, BQA is subject to environmental and social risks. The key risks and opportunities identified during the reporting period were as follows:

- ❖ COVID-19 impact on employees of BQA
- ❖ Changes in the economic and political environment
- ❖ Digitisation
- ❖ Evolving regulatory environment
- ❖ Fraud and corruption

To enable an effectively controlled environment, Management, the Board and its Committees implemented the following measures :

- ❖ Review and approval of the Revised Internal Audit Charter.
- ❖ 80% implementation of the Annual Internal Audit Plan.
- ❖ Supervision of Statutory Audit activities.



EVOKE STRATEGY (2021-2026)

The strategy was developed and adopted during the reporting period. The strategy was conceived to respond to opportunities and risks which could arise, informed by a focus on the future to integrate Education for Sustainable Development and use of Indigenous Knowledge -disruptive technology for innovative minds. The strategy is summarized below.



The EVOKE strategy was based on the four thematic areas as presented below.

OUR STRATEGIC THEMES			
STRATEGIC THEME 1	STRATEGIC THEME 2	STRATEGIC THEME 3	STRATEGIC THEME 4
Quality of Service	Stakeholder Management	Governance	Operational Efficiency
Results: Customer Satisfaction, Organisational Reputation, Stakeholder Satisfaction.	Results: Customer satisfaction Improved, Organisational reputation	Results: Financial Prudence, Compliance and Regulations.	Results: Stakeholder Satisfaction.

Annual Plan Overview

BQA's organisational performance report for the period April 2021 to March 2022 provides detailed reporting on the organisation's performance on the basis of the Annual Plan Initiatives, Strategic Planning and Financial Performance.

The COVID-19 pandemic continued to be a concern during

the period of this Performance Report. The impact on the organisation has been considerable. BQA has been able to adapt quickly to the disruptions created by the pandemic.

Table 10 provides a general summary of the Authority's performance in 2021/22 on the 13 strategic objectives



Figure 11: *Organisational Performance*

- Target Achieved
- On Track
- Below Target
- Unreported

Performance Report

Table 9: Specific Strategic Objectives

Indicator		Number of Objectives
Below 70%	Not Achieved	2
71% - 89%	Ongoing	3
90% and above	Achieved	5
	Unreported	3

Strategic Objectives Overall Performance

Objectives	Unreported	Achieved	Ongoing	Not Achieved
Strategic Objective 1 Optimise implementation of QA services	0%	62%	0%	38%
Strategic Objective 2 Optimise implementation of NCQF services ¹ initiative	0%	84%	0%	16%
Strategic Objective 3 Increase Stakeholder satisfaction	20%	80%	0%	0%
Strategic Objective 4 Develop partnerships and networks	100%	0%	0%	0%
Strategic Objective 5 Enhance research and development activities	0%	70%	0%	30%
Strategic Objective 6 Effective management of strategic projects	0%	14%	0%	86%
Strategic Objective 7 Leverage ICT in service delivery	0%	30%	0%	70%
Strategic Objective 8 Improve corporate governance	0%	65%	0%	35%
Strategic Objective 9 Improve organizational performance	0%	68%	0%	32%
Strategic Objective 10 Improve organizational culture	100%	0%	0%	0%
Strategic Objective 11 Increase revenue	0%	100%	0%	0%
Strategic Objective 12 Reduce cost	0%	82%	0%	18%
Strategic Objective 13 Improve process efficiency	100%	0%	0%	0%

***Performance report on Strategic objectives as at 31 March 2022

Human Resource

STAFF MOVEMENTS

During Financial Year 2021/22, thirteen (13) employees exited the employ of BQA. Out of the thirteen (13), four (4) were from the core business, five (5) were from critical positions and four (4) were from support. Some of the positions were quickly filled on acting appointments by internal candidates, while others remain vacant.

A total of six (6) posts were filled by candidates newly joining the Authority. Three of these posts were for both core and support departments respectively.

COVID -19 IMPACT ON STAFF

During the financial year 2021/22 the total number of employees who tested positive for COVID-19 in BQA was eighty-three (83) and all have recovered.

Table 10: COVID-19 Data

BQA COVID-19 DATA	
Period	Number of COVID 19 Cases
Q1	52
Q2	0
Q3	16
Q4	15
Total	83

SKILLS AND COMPETENCY AUDIT PROJECT

The Skills and Competency Audit project was approved as a strategic project, that could assist the Authority to assess the skills and competencies of its employees. The project was necessary, more so that the Authority was embarking on a new corporate strategy, therefore, knowing the competence levels of its employees aligned to the strategy was critical. The main outputs of this project was a competency framework and succession planning guidelines. The 360-degree assessment methodology was used to identify the competence and skills set of the Authority's executive and middle management.

The project came up with findings that the Authority had a diverse and qualified workforce, with 94 percent of staff at the Executive and Managerial levels meeting minimum job educational requirements, and only 6 percent of officers not meeting the minimum educational requirements relating to their posts. Furthermore, the analysis identified the following;

- i. Key issues identified lack of accountability, governance, and ethics amongst others.
- ii. Lack of formally identified potential successors, that is no succession plan in place.
- iii. Although the staff complement's qualification levels are adequate, the challenge lies in the staff complement's competency level.
- iv. Staffing and Competency Gaps – The Authority is currently operating without a full complement of employees, and service delivery is hampered due to a staff shortage.

OUTLOOK



The following are suggested activities to enhance BQA efficiency:

- Automate processes to allow for online applications. This will reduce the processing time of applications as it will not allow the submission of incomplete applications.
- Review the process of all NQCF Services to shorten processing time.
- Enhance collaborations with regulatory and professional bodies through memorandum of understanding. These collaborations are aimed to assist Regulatory and Professional Bodies to develop standards for endorsement of qualifications and improve the turn-around-time of applications submitted to them for endorsement.
- Engage in sensitisation activities to enhance compliance for Registration and Accreditation of Assessors and Moderators. This is meant to reduce delays that emanate from submission of incomplete applications and delays by applicants to provide missing information on request.
- Develop and implement an Enterprise Resource Planning (ERP) system which will integrate all digital applications and services.

ANNUAL AUDITED FINANCIAL STATEMENTS

BOTSWANA QUALIFICATIONS AUTHORITY

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

Annual Financial Statements
For The Year Ended 31 March 2022

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Statement of Changes in Funds	43
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BOTSWANA QUALIFICATIONS AUTHORITY
(Established under the Botswana Qualifications Authority Act No. 24 of 2013)
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2022

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.

Physical address Plot 66450, Block 7
Gaborone

Members of the Board	Name and Surname	Date Appointed
	Chairperson – Mr Gabaake Gokatweng Gabaake	21 November 2021
	Ms Susan Makgothi	22 July 2021
	Professor Alinah Segobye	22 July 2021
	Professor Richie Moalosi	22 July 2021
	Dr Boitumelo Kgarebe	22 July 2021
	Ms Mercy Conlon	22 July 2021
	Ms Mahali Morolong	22 July 2021
	Dr Hilda Molate	01 February 2022
	Mr Baalakani Macheke	25 February 2022
	Ms Kgomotso Kereng	25 February 2022
	Mr Mlungisi Jackalas	25 February 2022
Board Secretary	Mr Kennedy O Pheko	01 October 2015
Chief Executive Officer	Dr Botsalano Mosimakoko	02 September 2019
Postal address:	Private Bag B0340 Gaborone	
Auditors:	Mazars	
Bankers:	First National Bank of Botswana Limited Stanbic Bank Botswana Limited	

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

For the year ended 31 March 2022

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 Board are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. These controls are mandatory throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring that the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. 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 (Note 13). 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 from the Government of Botswana through the Ministry of Education and Skills Development.

The Board have reviewed the Authority's cashflow forecast for the year 2022/23 and in light of this review and its current ratio, they are satisfied that the Authority is able to meet its obligations when they become due. The Board have also considered the impact of Covid 19 on the business which is disclosed in Note 12.

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 were 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 Authority's financial records and members of the Board.

The annual financial statements on pages 41 to 77 and supplementary information were authorised for issue by the Board on 25 August 2022 and are signed on its behalf by:

.....
Chairperson

Mr Gabaake Gokatweng Gabaake

.....
Board Member

Ms Mercy Conlon

INDEPENDENT AUDITOR'S REPORT

To the Members of Botswana Qualifications Authority

Report on the Audit of the Annual Financial Statements

Opinion

We were engaged to audit the annual financial statements of Botswana Qualifications Authority set out on pages 42 to 77, which comprise the statement of financial position as at March 31, 2022, and the statement of 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, 2022, 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 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 judgement, were of most significance in our audit of the annual financial statements of the current period. However, for the current period, we have determined that there are no Key Audit Matters to communicate in our report.

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 2022, 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 Board for the Annual Financial Statements

The Board of Botswana Qualifications Authority is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Qualifications Authority Act and for such internal control as 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 Board is 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 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 responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing 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 judgment and maintain professional skepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Authority to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion.

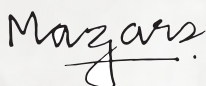
We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Mazars

Certified Auditors

Practicing member: Shashikumar Velambath (CAP 0022 2022)



Date 14.09.2022
Gaborone

	Note	2022 P	2021 P
Income			
Government subvention	1	75,528,338	94,464,205
Quality assurance fees	1	13,608,566	5,072,250
		89,136,904	99,536,455
Amortisation of capital grants	5.3	2,903,203	3,207,710
Other income	2.1	1,093,315	956,281
Total income		93,133,422	103,700,446
Expenditure			
Amortisation of intangible assets		(256,421)	(221,235)
Advertising and promotion		(73,457)	(103,520)
Audit fees		(284,136)	(275,866)
Computer expenses		(3,349,277)	(3,256,970)
Depreciation of property, plant and equipment		(2,646,781)	(2,986,475)
Maintenance and running costs		(888,702)	(1,233,625)
Lease liability interest fair value adjustment		(24,221)	-
Accreditation and Registration Expert fees		(965,990)	(4,101,489)
Research and consultancy		(1,676,905)	(2,601,154)
Staff costs	2.2.1	(70,892,166)	(63,458,659)
Travel and accommodation expenses		(166,903)	(26,367)
Workshops and conferences		(214,335)	-
Movement in expected credit loss	4.1.1	187,460	(216,959)
Other operating expenses	2.2	(5,601,816)	(5,008,453)
Total expenditure	2.2	(86,853,651)	(83,490,772)
Surplus for the year		6,279,771	20,209,674

	Note	2022 P	2021 P
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	31,277,477	32,909,662
Right of Use Asset	5.1.1	403,370	-
Intangible assets	5.2	1,066,911	642,198
		32,747,758	33,551,860
Current assets			
Receivables and Prepayments	4.1	1,831,336	884,638
Cash and cash equivalents	4.2	77,672,334	47,901,955
Total current assets		79,503,670	48,786,593
TOTAL ASSETS		112,251,428	82,338,454
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds	6.1	17,846,871	11,567,100
Non-current liabilities			
Capital grants	5.3	28,796,651	30,344,150
Lease Liability	5.3.1	220,939	-
		29,017,590	30,344,150
Current liabilities			
Capital grant	5.3	2,903,203	3,207,710
Lease Liability	5.3.1	192,272	-
Projects funds	5.4	22,034,2687	3,844,841
Contract liability	6.2	13,040,341	13,553,786
Trade and other payables	4.3	7,806,653	4,750,189
Employee benefit obligations	5.5	19,410,231	15,070,678
Total current liabilities		65,386,967	40,427,204
Total liabilities		94,404,557	70,771,354
TOTAL EQUITY AND LIABILITIES		112,251,428	82,338,454

	Accumulated funds P
For the year ended 31 March 2021	
Balance at 1 April 2020	(8,642,574)
Surplus for the year	20,209,674
Balance at 31 March 2021	11,567,100
For the year ended 31 March 2022	
Balance at 1 April 2021	11,567,100
Surplus for the year	6,279,771
Balance at 31 March 2022	17,846,871

	Notes	2022 P	2021 P
Cash flows from operating activities			
Surplus for the year		6,279,771	20,209,674
<i>Adjustment for non cash items:</i>			
Amortisation of deferred capital grants	5.3	(2,903,203)	(3,441,534)
Depreciation of property, plant and equipment	5.1	2,646,781	2,986,475
Amortisation of intangible assets	5.2	256,421	221,235
Depreciation on Right of Use Assets	5.1.1	177,483	-
Interest on lease liability	5.3.1	24,221	-
Interest income	2.1	(1,086,291)	(536,532)
<i>Changes in working capital</i>			
Trade and other receivables		(946,698)	(309,453)
Employee benefit obligations		4,339,554	(20,828,274)
Trade and other payables		3,056,464	1,275,641
Contract liability (deferred income)		(513,445)	3,644,561
Net cash generated from operating activities		11,331,059	3,221,792
Cash flows from investing activities			
Purchase of property, plant and equipment	5.1	(1,108,693)	(128,335)
Purchase of Intangible Asset	5.2	(681,134)	-
Interest received	2.1	1,086,291	536,532
Net cash used in investing activities		(703,536)	408,197
Cash flows from financing activities			
Capital grants for assets purchased	5.3	1,145,292	128,335
Capital grants for projects	5.4	18,189,427	-
Payment for projects	5.4	-	(38,284)
Payment of lease liability	5.3.1	(191,862)	-
Net cash from financing activities		19,142,857	90,051
Net movement in cash and cash equivalents		29,770,379	3,720,040
Cash and cash equivalents at beginning of year		47,901,955	44,181,915
Cash and cash equivalents at end of year	4.2	77,672,335	47,901,955

1 Income	2022	2021
	P	P
1.1 Government grants		
Government subvention	94,768,960	94,592,540
Less: amount transferred to capital grants (Note 5.3)	(1,145,292)	(128,335)
Add: capital grants adjustment (Note 5.3)	94,096	-
Less: amount transferred to BQA Projects (Note 5.4)	(18,189,426)	-
	75,528,338	94,464,205
1.2 Income from services	2022	2021
	P	P
<i>Performance obligation satisfied at a specific point in time</i>		
Quality assurance fees	13,608,566	5,072,250
2 Other income and expense items		
2.1 Other income	2022	2021
	P	P
Interest received on short term investments	1,086,291	536,532
Miscellaneous income	22,493	419,749
Loss on sale of assets	(15,469)	-
	1,093,315	956,281
2.2 Administration expenses	2022	2021
	P	P
Amortisation of intangible assets (Note 5.2)	(256,421)	(221,235)
Advertising and promotion	(73,457)	(103,520)
Computer expenses	(3,349,277)	(3,256,970)
Depreciation of property, plant and equipment (Note 5.1)	(2,646,781)	(2,986,475)
Depreciation right of use	(177,483)	-
Maintenance and running costs	(888,702)	(1,233,625)
Lease liability interest fair value adjustment	(24,221)	-
Accreditation and Registration Expert fees	(965,990)	(4,101,489)
Research and consultancy	(1,676,905)	(2,601,154)
Staff costs	(70,892,166)	(63,458,659)
Travel and accommodation expenses	(166,903)	(26,367)
Workshops and conferences	(214,335)	-
Auditor's remuneration	(284,136)	(275,866)
Operating expenses	(81,616,778)	(78,265,360)
Board fees and expenses	(1,196,705)	(861,979)
Insurance	(718,288)	(983,372)
Printing and stationery	(213,920)	(431,919)
Legal expenses	(659,880)	-
Security	(361,272)	(639,864)
Water and Electricity	(890,735)	(662,801)
Other expenses	(1,196,073)	(1,645,477)
Other operating expenses	(5,236,873)	(5,225,412)
Total administrative expenses	(86,853,651)	(83,490,772)

2.2.1 Breakdown of Staff Costs

	2022 P	2021 P
Salaries and wages	54,674,998	46,837,174
Gratuity	8,312,737	8,913,183
Pension	2,227,682	2,062,220
Medical expenses	1,729,951	1,588,081
Leave pay	2,822,848	3,118,732
Other staff costs	1,123,950	939,269
	70,892,166	63,458,659
Number of Employees	119	125

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	Financial assets at amortised cost P	Total P
At 31 March 2022			
Trade and other receivables*	4.1	1,417,510	1,417,510
Cash and cash equivalents	4.2	77,672,334	77,672,334
		79,089,844	79,089,844
At 31 March 2021			
Trade and other receivables*	4.1	454,996	454,996
Cash and cash equivalents	4.2	47,901,955	47,901,955
		48,356,951	48,356,951

*excluding prepayments

4 Financial assets and financial liabilities (continued)

Financial liabilities	Notes	Liabilities at amortised cost P
At 31 March 2022		
Other payables	4.3	<u>7,806,653</u>
At 31 March 2021		
Other payables	4.3	<u>4,750,189</u>

The Authority's exposure to various risks associated with 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. The carrying amounts of all short term financial assets and liabilities carried at amortised cost approximate to their fair value. (IFRS 7.29(a)).

4.1 Receivables and Prepayments

	2022 P	2021 P
Trade receivables	1,264,719	645,850
Less: Provision for impairment (Note 8.2)	(158,229)	(345,689)
	<u>1,106,490</u>	<u>300,161</u>
Interest receivable from money market investment	84,505	64,402
Prepayments	413,826	429,642
Other receivables	226,515	90,433
	<u>1,831,336</u>	<u>884,638</u>

4.1.1 Provision for impairment on receivables

	2022 P	2021 P
Balance at the beginning of the year	345,689	128,730
Movement in expected credit lossess	(187,460)	216,959
Balance at end of the year	<u>158,229</u>	<u>345,689</u>

4.2 Cash and cash equivalents

Bank balances
Cash on hand

2022	2021
P	P
77,666,334	47,895,955
6,000	6,000
77,672,334	47,901,955

(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:

Bank balances
Cash on hand

2022	2021
P	P
77,666,334	47,895,955
6,000	6,000
77,672,334	47,901,955

(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 14.5 for the Authority's other accounting policies on cash and cash equivalents.

4.3 Other payables

Current liabilities

Audit fees accrual
Accruals
Suppliers payments

2022	2021
P	P
284,136	275,866
7,407,816	4,259,588
114,701	214,735
7,806,653	4,750,189

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

5 Non-financial assets and liabilities

5.1 Property, plant and equipment

	Land and buildings (cost) P	Plant and machinery (cost) P	Motor vehicles (cost) P	Furniture and fittings (cost) P	Office equipment (cost) P	Computer equipment (cost) P	Library books (cost) P	Work in progress (cost) P	Total P
Cost/valuation									
Balance at 1 April 2020	29,071,068	4,941,924	3,252,658	7,576,265	1,384,692	6,595,189	395,716	-	53,217,512
Additions				5,712	114,028	8,595		-	128,335
Balance at 31 March 2021	29,071,068	4,941,924	3,252,658	7,581,977	1,498,720	6,603,784	395,716	-	53,345,847
Additions	-	-	18,920	117,164	138,293	189,781	-	644,535	1,108,693
Disposal	-	-	-	-	(9,408)	(445,494)	-	-	(454,902)
Balance at 31 March 2022	29,071,068	4,941,924	3,271,578	7,699,141	1,627,605	6,348,071	395,716	644,535	53,999,638
Accumulated depreciation									
Balance at 1 April 2020	6,919,434	2,462,653	496,267	2,468,279	1,144,546	3,568,050	390,480	-	17,449,710
Charge for the year	579,177	244,625	543,194	587,137	63,756	968,251	334	-	2,986,475
Balance at 31 March 2021	7,498,611	2,707,278	1,039,461	3,055,416	1,208,303	4,536,302	390,814	-	20,436,185
Charge for the year	823,802	-	557,673	575,729	89,069	600,316	191	-	2,646,781
Disposal	-	-	-	-	(9,314)	(351,491)	-	-	(360,805)
Balance at 31 March 2022	(8,322,413)	(2,707,278)	(1,597,135)	(3,631,146)	(1,288,058)	(4,785,126)	(391,005)	-	(22,722,161)
Carrying amount									
At 31 March 2021	21,572,457	2,234,647	2,213,197	4,526,560	290,417	2,067,483	4,902	-	32,909,663
At 31 March 2022	20,748,655	2,234,647	1,674,443	4,067,995	339,547	1,562,945	4,711	644,535	31,277,477

5.1 Property, plant and equipment (continued)

(i.) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost, 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	50 years
Plant and machinery	20 years
Motor vehicles	6 years
Furniture and fittings	10 years
Office equipment	6 years
Computer equipment	6 years
Library books	2 years

See note 14.6 for other accounting policies relevant to property, plant and equipment.

5.1.1 Right of Use Asset - Leased Photocopiers

Cost	P
Balance at 1 April 2021	-
Leased photocopiers	580,852
Balance at 31 March 2022	580,852
Accumulated Depreciation	
Balance at 1 April 2021	-
Charge for the year	177,483
Balance as 31 March 2022	177,483
At 31 March 2022	403,370

The Authority has leased six photocopier machines for a period of three (3) years effective 01 April 2021. Depreciation is calculated using straight line method over lease period.

5.2 Intangible assets

Cost	P
Balance at 1 April 2020	4,385,680
Additions	-
Balance at 31 March 2021	4,385,680
Balance at 1 April 2021	4,385,680
Additions	681,134
Balance at 31 March 2022	5,066,814
Accumulated amortisation	
Balance at 1 April 2020	3,522,247
Amortisation charge	221,234
Balance as 31 March 2021	3,743,482
Balance at 1 April 2021	3,743,482
Amortisation charge	256,421
Balance as 31 March 2022	3,999,903
Carrying amount	
At 31 March 2021	642,198
At 31 March 2022	1,066,911

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.

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

Computer software	4 years
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5.3 Capital grants

	2022 P	2021 P
Balance at 1 April	33,551,860	36,865,059
Purchase of property, plant and equipment from Government subvention	1,145,292	128,335
Property, plant and equipment disposed	(94,096)	(233,824)
PPE amortisation during the year	(2,646,781)	(2,986,476)
Intangible assets amortisation during the year	(256,421)	(221,234)
Balance at 31 March	31,699,854	33,551,860

The non-current and current split of capital grants are:

To be amortised within one year	2,903,203	3,207,710
To be amortised thereafter	28,796,651	30,344,150
	31,699,854	33,551,860

The portion of the grants recognised as income during the year relates to the depreciation of property, plant and equipment and amortisation of intangible assets which were funded by the capital grants. The total amortisation during the period amounted to P2,903,203.

5.3.1 Lease liabilities

	2022 P	2021 P
Balance at 1 April	580,852	-
Lease payment	(191,862)	-
Lease liability interest fair value adjustment	24,221	-
Balance at 31 March	413,211	-

The current and non current split of lease liability is

To be amortised within one year	192,272	-
To be amortised thereafter	220,939	-
	413,211	-

The Authority has a three year photocopier lease contract with Altron Botswana which commenced on 01 April 2021.

5.4 Project funds

	2022 P	2021 P
Balance at 1 April	3,844,841	3,883,125
BQA Project operating expenses	-	(38,284)
BQA deferred capital projects	18,189,426	-
Balance at 31 March	22,034,267	3,844,841

Closing balance relates to unspent grants received in respect to:

	2022 P	2021 P
Implementation of General Education System	2,228,264	2,228,264
Office building maintenance	2,173,543	1,228,077
Tour guides prior learning assessment	388,500	388,500
Accreditation of Learning programme project	6,647,538	-
Information Technology Systems	8,900,000	-
Procurement of vehicles	1,296,422	-
Information Technology Hardware	400,000	-
	22,034,267	3,844,841

General Education System Project

The Authority received the sum of P5,000,000.00 from the Ministry of Basic Education in 2017-2018 for capacity building in the General Education Sector. Implementation started in June 2019 and as at 31 March 2022 there was a balance of P2,228,264 to continue with implementation of the project.

Office Building Maintenance

The Government on the 16th January 2014 authorised the Authority to use the P3,177,729 which remained during construction of the office building for maintenance purposes. In 2021-22 additional P945,465 was deferred for office refurbishment. As at 31 March 2022 there was a balance of P2,173,543.

Tour Guides Project

The Authority received funds amounting to P388,500 in 2016-2017 from the Human Resource Development Council to support the Tour Guides Recognition of Prior Learning (RPL) Assessment Project. The Authority had a project on Recognition of Prior Learning for Tour Guides in 2016 for purposes of awarding them qualification on the then Botswana National Vocational Qualifications Framework. The project was initiated by BOTA during a time when the repealed legislation provided for conducting RPL assessments. The current BQA mandate does not include the development of qualifications as such the funds will be refunded to Human Resource Development Council during the financial year 2022-23.

Learning Programme Project

The Authority launched a project for accreditation of learning programmes in December 2021. The approved project budget was P6,795,588. As at 31 March 2022 there was a balance of P6,647,538, to continue with implementation of the project.

BQA Deferred Capital Projects

For the financial year 2021-22, the Authority deferred an amount of P8,900,000 for procurement of Information Technology Systems, P400,000 Computer hardware, and P1,296,424 for vehicles.

5.5 Employee benefit obligations

	Severance pay	Leave pay	Gratuity	Total
	P	P	P	P
Balance at beginning of the year	-	4,297,734	10,772,944	15,070,678
Provisions for the year	73,624	2,822,847	8,312,738	11,209,209
Payments during the year		(1,698,517)	(4,011,799)	(5,710,316)
Advances		-	(1,159,339)	(1,159,339)
Balance at end of the year	73,624	5,422,064	13,914,544	19,410,231

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 fixed deposit with Stanbic Bank Botswana Limited and a money market investment with IPRO Botswana for employee obligations. The accounts have a balance of P 47,767,511 (2021: P 15,769,372).

Leave pay

Leave provision is calculated based on accrued leave days not taken during the year. The entire amount of the obligation of P 5,422,064 (2021: P 4,297,734) 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 management assessment 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 Reserves

6.1 Accumulated Funds

	2022	2021
	P	P
Balance 1 April	11,567,100	(8,642,574)
surplus for the year	6,279,771	20,209,674
Balance 31 March	17,846,871	11,567,100

The Authority's Statement of Financial Position under capital and reserves consists of accumulated funds. The objective is to manage capital and safeguard its ability to continue as a going concern in order to implement its core mandate. During the reporting period, the Authority had accumulated funds amounting to P17,846,871.

6.2 Contract liability

		2022	2021
		P	P
Balance at 1 April	Nature of performance obligation	13,553,786	9,909,225
Received during the year		12,255,121	7,729,311
Recognised during the year		(12,768,566)	(4,084,750)
Balance at 31 March	Specific point in time	13,040,341	13,553,786

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 Measurement of the expected credit loss allowance – Note 4.1

The measurement of the Expected Credit Loss (ECL) 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.

7.1.2 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.

7.1.3 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.

7.1.4 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 14.3.

7.1.5 Treatment of leases (Note 5.3.1)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment. During the current financial year, there was no material financial effect of revising lease terms to reflect the effect of exercising extension or termination options.

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	Cash and cash equivalents and trade receivables	Aging analysis	Diversification of bank deposits, credit limits and active debtor management.
		Credit ratings	
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 Management 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 0.5% increase in interest rates would result in an increase in the surplus for the year of P 5,431 (2021: P 2,683), while a decrease in interest rates by a similar margin would result in equal and opposite effect on the surplus for the year. A 0.5% variation is considered the most likely movement in interest rates based on the past interest rates adjustments announced by the Bank of Botswana.

(ii) Foreign exchange risk

The Authority did not have any foreign exchange risk exposure during the financial year 2021-22.

(iii) Price risk

The Authority did not have any price risk exposure during the financial year 2021-22.

(iv) Cash equivalent

	2022	2021
	P	P
Stanbic Bank Botswana Limited	177,752	27,177
Stanbic Bank Botswana Limited Fixed Deposit	30,000,000	-
First National Bank of Botswana	29,721,071	32,163,808
IPro Botswana Limited	17,767,511	15,704,970
	77,666,334	47,895,955

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. Long-term 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.

8.2 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 2022, 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 low. 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 receivables 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 probability of default (PD) approach has been used to derive PDs and the default is set at 90 days past due. The model has taken into consideration the economic recovery following the lifting of the State of Emergency, therefore the Loss given default (LGD) is expected to reduce from 100% to 11.42%. The loss allowance as at 31 March 2022 is determined as follows:

Trade Receivables: Expected Credit loss Default Rates(%)					
Date	Current	1-30 Past due	31-60 Past Due	61-90 Past due	Over 90 past due
1-Apr-21	17.70%	32.00%	41.00%	61.60%	100.00%
31-Mar-22	13.37%	0.00%	0.00%	0.00%	11.42%

Trade Receivables: Gross Carrying Amounts (Pula)						
Date	Current	1-30 Past due	31-60 Past Due	61-90 Past due	Over 90 past due	Total
1-Apr-21	64,550	62,000	56,000	448,000	15,300	645,850
31-Mar-22	737,919	-	-	-	526,800	1,264,719

Trade Receivables: Expected Credit Losses (Pula)						
Date	Current	1-30 Past due	31-60 Past Due	61-90 Past due	Over 90 past due	Total
1-Apr-21	11,457	19,826	22,973	276,133	15,300	345,689
31-Mar-22	98,093	-	-	-	60,136	158,229

8.3 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. Employee obligations 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 5.5.

As at 31 March 2022

Liabilities	Less than six months	Between six and twelve months	More than one year	Total
	P	P	P	P
Trade and other payables	7,806,653	-	-	7,806,653
Lease liability	94,882	97,389	220,939	413,211
Total	7,901,535	97,389	220,939	8,219,864

As at 31 March 2021

Liabilities	Less than six months	Between six and twelve months	More than one year	Total
	P	P	P	P
Trade and other payables	4,750,189	-	-	4,750,189
Lease liability	-	-	-	-
Total	4,750,189	-	-	4,750,189

8.4 Capital risk management

The Authority's capital comprise accumulated funds. The Authority's objective when managing its capital is to ensure sufficient positive operating cash flows in order to meet its capital requirements and to safeguard its ability to continue as a going concern. The Authority is supported by the Government of the Republic of Botswana which provides the necessary grants to sustain its operations.

During the period under review, the Authority did not have borrowings.

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.

Litigations

The contingent liabilities are for former employees who alleged that they were unfairly dismissed. The matter is currently in the industrial stage and hearing is expected to be held from August 2022, with probable loss of P602,047, and the outcome cannot be predicted.

10 Capital commitments and contingencies

Capital commitments

The Authority's capital commitments as at 31 March 2022 are as below

	2022 P	2021 P
BQA Vehicles	1,296,422	-
Information Technology Systems	8,900,000	-
Information Technology Hardware	400,000	-
BQA Office structural assessment	400,000	-
Office Renovation and Porter cabin	545,465	-
	11,541,888	-
Operational commitments	-	1,417,507

There were no operational commitments valid for the next 12 months

Contingent liabilities

	2022 P	2021 P
Rates	247,371	247,371
	247,371	247,371

The Authority has been allocated plot 66450 measuring 6205 square meters and the property will be included in the rate roll for 2023. Rates charge is expected to commence after inclusion in the rate roll, therefore currently there are no rates accrued or charged for plot 66450.

11 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. Transactions directly with the Government of Botswana are treated as related party transactions. The Authority is a parastatal under the Ministry of Education and Skills Development.

a) Ministry of Education and Skills Development:

	2022 P	2021 P
Subvention received from the Government (Note 1)	94,768,960	94,592,540

b) Key Management:

Key management includes directors (executive and non-executive), members of the executive committee and the Board Secretary.

	2022 P	2021 P
Board fees	478,350	504,000
Compensation paid to Executive Management	7,031,811	6,480,205
Benefits accruals for Executive Management:		
Leave pay	757,603	531,139
Gratuity	2,370,684	2,475,191
	3,128,287	3,006,330

12 Impact of COVID-19 Pandemic

On 31 March 2020, the President of Botswana declared a "State of Emergency" in Botswana, which was lifted on 30th September 2021. However Covid 19 still remains and continues to pose challenges personally, socially and economically. Although the Authority had initially anticipated that 2021-22 would be a year of recovery, the Covid 19 virus continued to spread during the year.

The lifting of the State of Emergency and the increase in number of vaccinated people had a positive impact on the economic activity and the Authority's business. The Authority was able to return to normal business in the last half of the financial year.

The Authority continue to enforce a number of measures to monitor and mitigate the effects of Covid 19, such as safety and health for employees (disinfecting offices, encouraging employees to wear masks and social distancing).

At the time of issuing these financial statements, the virus has proven that the pandemic is far from over. The Authority employees are still at risk as shown by a few Covid-19 positive cases recorded after 31 March 2022. In light of this, the Authority will continue to leverage on technology to serve its customers so as to minimise any disruptions to service delivery.

13 Going Concern Assessment

The Authority had cash balance of P77,672,335 as at 31st March 2022, the current liabilities were P65,401,301, therefore the Authority is able to meet its current obligations when they fall due.

The Authority's ability to continue as a going concern is dependent on the Government of Botswana for support. As guided by continual engagement, the parent Ministry of Education and Skills Development, has shown commitment to support the national credit and qualifications framework maintenance and the quality assurance services now and in the foreseeable future because they believe the BQA mandate is still valid.

This support has been further confirmed by the approval of P90,030,512 as subvention for 2022/23.

The annual financial statements have been prepared on a going concern basis. This basis presumes that support from the Ministry of Education and Skills Development in the form of funds will continue to be available to finance the Authority's operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

14 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.

14.1 Basis of preparation

The annual financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Botswana Qualifications Authority Act, 2013. The annual financial statements have been prepared on a historical cost basis and are presented in Botswana Pula which is the functional currency. All values are rounded to the nearest one pula.

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.

New Accounting Standards and Interpretation

Standards and interpretation adopted during the year.

Amendment to IFRS 3, 'Business combinations' - Definition of a business

This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. More acquisitions are likely to be accounted for as asset acquisitions.

To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early-stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce.

The adoption of this amendment has no impact on current and prior periods.

Amendment to IAS 1, 'Presentation of financial statements and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.

These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs:

- use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting.
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in IAS 1 about immaterial information.

The amended definition is: "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 adoption of this amendment has no impact on current and prior periods.

Amendments to IFRS 9, 'Financial Instruments', IAS 39, 'Financial Instruments: Recognition and Measurement' and IFRS 7, 'Financial Instruments: Disclosure' – Interest rate benchmark reform (Phase 1)

These amendments provide certain reliefs in connection with interest rate benchmark reform (IBOR). The reliefs relate to hedge accounting and have the effect that IBOR should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

The adoption of this amendment has no impact on current and prior periods because the Authority does not apply hedge accounting.

IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment

The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

The adoption of this amendment has no impact on current and prior periods because the Authority has not received Covid-19 related concessions.

Standards and interpretation issued but not yet effective

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)

The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. Effective for annual periods beginning on or after 1 January 2021.

The Authority is not expecting the amendment to have an impact on its portfolio of investments because the Government of Botswana is undertaking any IBOR related reforms and the Authority does not hold financial instruments in foreign markets likely to be impacted by global IBOR reforms.

Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current

The amendment clarifies those liabilities which are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact on the Authority.

Amendment to IFRS 3, 'Business combinations'

The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, to determine what constitutes an asset or a liability in a business combination.

In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact because the Authority does not have subsidiaries investments.

Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss. Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact on the Authority.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract

The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact on the Authority.

14.2 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 year end.

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 measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

14.3 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, considering the effective yield on the asset.

iii. Quality Assurance fees (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:

Step 1: 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.

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 measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

14.4 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 soon, 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.

14.5 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

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

Cash and Cash Equivalent

For 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 and prepayments

Trade and other receivables excluding prepayments are classified as financial assets recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

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.

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

14.6 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 are explained in Note 5.1. All assets are stated at historical cost less accumulated depreciation and accumulated impairment. 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.

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.

14.7 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.

Other development expenditure that does 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.

14.8 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.

14.9 Project Authority's 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 Fund. 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.

14.10 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 several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. 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.

14.11 Employee benefits

The Authority provides for gratuity and severance benefits for employees on fixed term contracts in line with the employment act chapter 47:01 and the relevant employment contracts. Provision for terminal payments have been made in these financial statements. Employee entitlement to annual leave, contractual gratuity and severance are recognised when they accrue to employees because of services rendered by employees up to the statement of financial position date.

The Authority operates a defined contribution pension Authority for its permanent employees. The Authority contributes 16% of the pensionable earnings of the members to the Authority, and the employees contribute an additional 4% of their pensionable earnings. The Authority's contributions are charged to the statement of comprehensive income in the year in which they accrue. The management of the Authority has been outsourced to Alexander Forbes.

The Authority recognise employees right to annual leave accrued as at the reporting date. The recognition is made each year and is calculated based on accrued leave days not taken during the year.

14.12 Related parties

Related parties are defined as those parties:

- (a) directly, or indirectly through one or more intermediaries, the party that:
 - (i) controls are 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.

14.13 IFRS 16 leases

Authority as the lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Authority's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Authority if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Authority is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Authority revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

Annexure I

	2022 P	2021 P
Income		
Government subvention	75,528,338	94,464,205
Quality assurance fees	13,608,566	5,072,250
	89,136,904	99,536,455
Amortisation of deferred capital grants	2,903,203	3,207,710
Other income		
Miscellaneous	22,493	419,749
Loss on sale of assets	(15,469)	-
	7,024	419,749
Finance income	1,086,291	536,532
Total income	93,133,422	103,700,446
Total Expenditure	(86,853,651)	(83,490,772)
Operating Surplus for the year	6,279,771	20,209,674
Expenditure		
Accreditation and Registration Expert fees	(965,990)	(4,101,489)
Advertising and promotion	(73,457)	(103,520)
Amortisation charge	(256,421)	(221,235)
Archiving	(25,917)	(36,064)
Audit fees	(284,136)	(275,866)
Bank charges	(128,437)	(45,758)
Board fees and expenses	(1,196,705)	(861,979)
Casual labour	(10,385)	(12,433)
Computer expenses	(3,349,277)	(3,256,970)
Depreciation of property, plant and equipment	(2,646,781)	(2,986,475)
Depreciation right of use	(177,483)	-
Entertainment expenses	(12,533)	(13,165)
Gardening services	(9,928)	(18,326)
Movement in allowance for credit lossess	187,460	(216,959)
Insurance	(718,288)	(983,372)
Legal fees	(659,880)	-
Library books and materials	(2,938)	(265)
Loss on foreign exchange	-	(8,217)
Maintenance and running costs	(888,702)	(1,233,625)
Lease liability interest fair value adjustment	(24,221)	-
Motor vehicle expenses	(244,741)	(187,203)
Office cleaning	(486,772)	(556,310)
Postage and courier	(45,200)	(41,829)
Printing and stationery	(213,920)	(431,919)
Protective clothing	-	(13,987)
Research and consultancy	(1,676,905)	(2,601,154)
Security	(361,272)	(639,864)
Staff costs	(70,892,166)	(63,458,659)
Subscriptions	(61,892)	(70,666)
Telephone and fax	(354,790)	(424,295)
Travel and accommodation	(166,903)	(26,367)
Water and electricity	(890,735)	(662,801)
Workshops and conferences	(214,335)	-
	(86,853,651)	(83,490,772)
Operating surplus for the year	6,279,771	20,209,674

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BOTSWANA
Qualifications Authority

"Building a seamless Education and Training System"

Plot 66450, Block 7, Gaborone
Private Bag BO 340, Gaborone, Botswana

Tel: (+267) 365 7200

Fax: (+267) 395 2301

SMS/Whatsapp: (+267) 75671114

Tollfree: 0800 600 934

E-mail: customerservice@bqa.org.bw

Website: www.bqa.org.bw

Facebook: BotswanaQualificationsAuthority

Twitter: @BQA_BWUpdates

Skype : BQA_Botswana Qualifications Authority

Ethics Hotline: Mascom-7111978, BTC/BeMobile-0800 600 644,
Orange- 1144