BOTSWANA
Qualifications Authority

# Annual Integrated Report

2023/24

# 1 BQA Annual Integrated Report

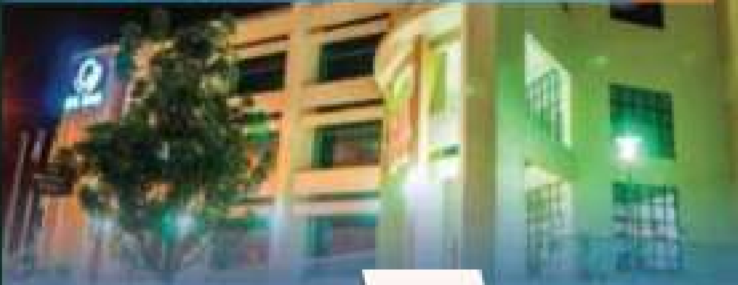
## Contents







# 2 BQA 2023 – 24 Performance Through the Lens



# 3 About this Report

## Reporting Scope & Boundary

This Annual Integrated Report highlights the milestones and achievements of the Botswana Qualifications Authority for the financial year 2023/24 and outlines key objectives for the first year of the [illegible] Strategy 2023-2028.

The Annual Integrated Report 2023/24 also outlines the Authority's commitment to our stakeholders, highlighting issues of governance, the Authority's business model, and risk opportunities.

## Key Reporting Frameworks Applied

To the best of our knowledge and belief, we confirm that the Annual Integrated Report 2023/24 has been prepared in accordance with the guidelines based on the following frameworks:

Table 1: Applied Frameworks

| Key Reporting Frameworks Applied | Integrated Report | Financial Statements |
|---|---|---|
| Botswana Qualifications Authority Act, 2013 | ✓ | ✓ |
| The International <IR> Framework, 2021 | ✓ | |
| King IV Report on Corporate Governance, 2016 | ✓ | ✓ |
| Financial Reporting Act of 2010 | | ✓ |
| Board and Committee Charters | ✓ | ✓ |
| International Financial Reporting Standards (IFRS) | | ✓ |

# About this Report

## Materiality

[illegible]

[illegible]

## Forward Looking Statement

[illegible]

[illegible]

## Approval of the Annual Integrated Report 2023/24

[illegible]

The Board approved the report on ________________

## Signatures

| | | | | |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Board Chairperson | Member | Member | Member | Member |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Member | Member | Member | Member | Member |
| [illegible] | [illegible] | [illegible] | [illegible] | |
| Member | Member | Member | Chief Executive Officer | |

# 4 Operating Context

## BQA Mandate

### Provide for and Maintain the NCQF

### Coordinate Quality Assurance

VISION

MISSION

## OUR VALUES

**Customer Focus**

**Innovation**

**Inclusivity**

**Accountability**

**Teamwork**

# 5 Glossary of Terms

| | |
|---|---|
| **AC** | Appeals Committee |
| **BQA** | Botswana Qualifications Authority |
| **BS** | Board Secretary |
| **CEO** | Chief Executive Officer |
| **DCEO** | Deputy Chief Executive Officer |
| **DBD** | Director Business Development |
| **DFA** | Director Finance and Administration |
| **DHR** | Director Human Resource |
| **DNCQFS** | Director National Credit and Qualifications Framework Services |
| **DQA** | Director Quality Assurance |
| **ETP** | Education and Training Provider |
| **EVOKE** | Equity, Vision, Outcomes, Knowledge and Engagement |
| **EXCO** | Executive Committee |
| **FC** | Finance 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 |
| **MOESD** | Ministry of Education Skills and Development |
| **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 |

# 6 Material Matters 2023/24

## Determining Materiality

In determining materiality for the Annual Integrated Report 2023/24, the Authority considered matters that had substantively affected or had the potential to affect the organisation's strategy and mandate execution. These matters were evaluated based on the Integrated Reporting (IR) Framework's principles of relevance, importance, and prioritisation. The following key points were taken into consideration:

**01** The matter's financial impact

**02** The matter's impact on stakeholder needs

**03** The matter's priority for stakeholders

# Material Matters 2023/24

| STAKEHOLDER | MATERIAL MATTER | STRATEGY |
|---|---|---|
| Customers and Stakeholders | Review of the Botswana Qualifications Act and Regulations (2013) | The review of the BQA Act allows the Authority to close some legislative gaps that have been identified in the implementation of the current Act as the country has evolved environmentally, socially, and technologically. |
| | Development of Norms and Standards for Recognition of Higher Education | The purpose of the Norms and Standards for Recognition of Higher Education and Training Providers is to establish the threshold and minimum standards against which the quality of education and training in Botswana shall be assessed. |
| | Protection of Enrolled Learners Policy (ELP) | The Authority has the obligation to ensure that Education and Training Providers have the best interest of enrolled learners in their operations and that learners complete their learning programmes to attain the intended award or qualification. |
| Human Resources | Organisational Review | BQA aims to reconfigure the most strategic asset of the Authority i.e. the Human Resource to ensure efficiency in the delivery of the BQA mandate. |
| Regulators | Collaboration with professional bodies which have regulations impacting the Authority's operations | The Authority continues to sign memorandum of agreement with professional bodies to harmonise operations and ensure that training programmes endorsed by professional bodies before being accredited by BQA. |
| | The Public Procurement Act and the Economic Inclusion Act | The Authority carries out all its procurement activities in line with the PPA and Economic Inclusion Act. |

# 7

# Board Chairperson's Statement

**Mr Gabaake Gokatweng Gabaake**
**Board Chairperson**

## Foreword

[illegible]

[illegible]

## The Authority's Mandate

[illegible]

[illegible]

[illegible]

## Strategic Focus

**Aligning with National Development Plans and Programs is crucial for the development and implementation of our strategy. Accordingly, the organisation carefully formulated its strategy by identifying initiatives and policies guided by the aspirations of Vision 2036, the National Transformation Strategy, the Transitional National Development Plan, the Reset and Reclaim Agenda, and the National Human Resource Development Strategy.**

[illegible]

i. [illegible]
ii. [illegible]
iii. [illegible]

# 7 Board Chairpersons Statement

[illegible]

## Reflecting on the year 2023/24

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

> We will continue refining our quality assurance frameworks to adapt to evolving educational landscapes and regulatory requirements, ensuring our services remain relevant and promote excellence across the education and training system.

[illegible]

[illegible]

## Acknowledgement

[illegible]

Thank you

[illegible]

Board Chairperson


# Chief Executive Officer Statement

[illegible]

## Foreword

[illegible]

**Over the past year, we have navigated unprecedented challenges while seizing new opportunities for growth and innovation. As we reflect on our achievements and challenges, it is clear that our resolute focus and commitment to creating long-term value for all stakeholders has been pivotal to the success of the 2023/2024 Integrated Annual Report.**

## Strategy & Operational Highlights

[illegible]

[illegible]

[illegible]

**The Business Process Redesign (BPR) project was completed in February 2024, with full implementation scheduled for 2024/25.**

[illegible]

[illegible]

[illegible]

# Chief Executive Officer Statement

[illegible]

[illegible]

[illegible]

## Our people

[illegible]

## Governance

[illegible]

## Outlook and Future Prospects

[illegible]

i. [illegible]
ii. [illegible]
iii. [illegible]

## Appreciation

[illegible]

## Conclusion

[illegible]

[illegible]
Chief Executive Officer

# Board of Directors

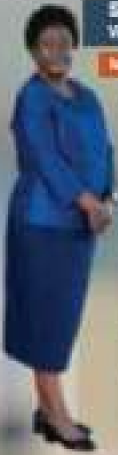
# 10 Board of Directors

## Gabaake Gabaake
Board Chairperson

**Term: November 1, 2021 - October 31, 2022**

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

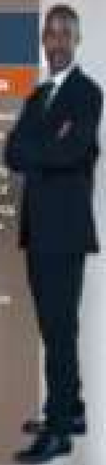
## Board of Directors



### Susan Makgothi
Vice Chairperson

**Term: 1st July 2021 - 30th June 2024**

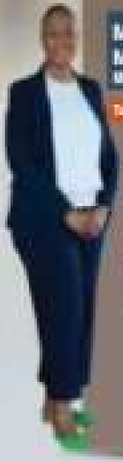
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]



### Prof. Richie Moalosi
Member

**Term: 1st July 2021 - 30th June 2024**

- [illegible]
- [illegible]
- [illegible]



### Mohali Mollehi Morolong
Member

**Term: 1st July 2021 - 30th June 2024**

- [illegible]
- Bachelor of [illegible] National University of Lesotho
- Currently serving as Managing [illegible]

### Mercy Conlon
Member

**Term: 1st July 2021 - 30th June 2024**

- [illegible]
- [illegible]
- [illegible]
- [illegible]

# Board of Directors

## Baalakani Macheke
**Member**

Term: February 1, 2022 – January 31, 2025

**Education:**

- [illegible]

**Current Role:**

- [illegible]

## Kgomotso Kereng
**Member**

Term: February 1, 2022 – January 31, 2025

**Education:**

- Higher National Diploma (HND) in Accounting and Business Studies, Botswana Institute of Accountancy and Commerce, Botswana
- [illegible]
- [illegible]

**Current Role:**

- [illegible]

## Dr Hildah Molate
**Member**

Term: February 1st 2022 – January 31, 2025

**Education:**

- [illegible]
- Master of Public Health, [illegible]
- Bachelor of Nursing Science, University of Botswana, Botswana
- [illegible]

**Current Role:**

- [illegible]

## Dr Boitumelo Kgarebe
**Member**

Term: [illegible]

**Education:**

- [illegible]
- [illegible]
- [illegible]

**Current Role:**

- [illegible]
- [illegible]

# 11 Executive Management

## Prof Boitshoko E. Mosimakoko
Chief Executive Officer

**QUALIFICATIONS**

- [illegible]
- [illegible]

**WORK EXPERIENCE**

- [illegible]

## Dr Gillian Keneilwe Mmolotsa
Deputy Chief Executive Officer

**QUALIFICATIONS**

- [illegible]

**WORK EXPERIENCE**

- [illegible]

# Executive Management

# Executive Management

WORK EXPERIENCE

WORK EXPERIENCE

WORK EXPERIENCE

# Executive Management

[illegible]

# 12 BQA Business Model & Value Proposition

**The Authority acknowledges the capital it uses and its interconnectivity in ensuring and informing the decision-making process and strategic direction.**

**The Authority's Value Creation Model (VCM) is intended to show the process of value creation and it comprises of five sections (Inputs, Business activities, Outputs, Outcomes and Impact or shared value for stakeholders).**

## Value Proposition

Table 2

| Inputs | Business activities | Outputs | Outcomes | Impact/Shared value for stakeholder |
|---|---|---|---|---|
| **Financial**<br>• Subvention<br>• BQA Operational Revenue | • Quality assurance of learning programmes | • [illegible]<br>• [illegible] Quality Assurance Services | • Funds are utilised efficiently to carry out Quality assurance services | Global competitiveness of Botswana<br>Appropriate skills and human and social development |
| **Human**<br>• Board – Over 40 years combined [illegible] and management experience<br>• Employees – skills, talents, [illegible] | • Quality assurance of Education Training Providers | • Absorption rate<br>• [illegible] engaged staff<br>• Board training<br>• Staff costs [illegible]<br>• Inclusion of BQA mandate [illegible] | • Career progression<br>• Retention of critical skill<br>• Employee wellbeing | Sustainable economic development<br>Continued delivery of the Authority's mandate in line with the Country's Vision 2036 |
| **Intellectual**<br>• Internal controls<br>• Policies and procedures<br>• [illegible] | • Maintaining the National Credit and Qualification Framework | • [illegible] reviewed and improved processes<br>• [illegible] developed and approved | • Intellectual knowledge-based organisation<br>• Improved efficiency in service delivery | Committed and knowledgeable team |
| **Manufactured**<br>• Fixed Assets and IT Systems | • Evaluation of Qualifications | • Automation of processes | • Increased adoption of digitalisation and transformation<br>• Improved operational efficiency | High confidence in quality assurance of the education system |
| **Social**<br>• Employee engagement and motivation<br>• Partnerships and collaboration | • Registration and accreditation of Assessors | • Budget allocated to staff training and [illegible] activities<br>• MoU signed with stakeholders | • Improved stakeholder linkages<br>• Continuous Professional Development | Improved awareness of quality assurance of education system<br>Improved confidence of the quality of the services offered by the Authority |
| **Natural**<br>• Conservation of power, water and natural resources at our offices | • Registration and accreditation of Moderators | • Reduced power and water costs | • Driving towards paperless operations | Improved awareness of quality assurance of education system |

# BQA Business Model & Value Proposition

## Corporate Strategy

**The EVOKE Strategy ([illegible]) was implemented after a review of the EVOKE Corporate Strategy ([illegible]) to align with the Botswana Qualifications Authority's mandate. The EVOKE Strategy revolves around three strategic themes: Organisational Renewal, Operational Efficiency and Shaping BQA's Future.**

## EVOKE

| | |
|---|---|
| Equity | i. [illegible]<br>ii. [illegible] |
| Vision | i. [illegible]<br>ii. [illegible]<br>iii. [illegible]<br>iv. [illegible] |
| Outcome | i. [illegible]<br>ii. [illegible]<br>iii. [illegible]<br>iv. [illegible] |
| Knowledge | i. [illegible]<br>ii. [illegible]<br>iii. [illegible] |
| Engagement | i. [illegible]<br>ii. [illegible]<br>iii. [illegible] |

### STRATEGIC GOALS

Achieve 100% registration of legacy qualifications for eligible learning programmes as to the NCQF in 12 months (by March 31, [illegible]).

Complete the turnaround of all properly submitted applications within 14 days.

### STRATEGIC THEMES

**1. Organisational Renewal**

We will address the cultural issues, and put in place the requisite enablers, to develop a high performing and engaged workforce.

**2. Operational Efficiency**

We will put in place the requisite processes, policies and technological enablers to ensure world-class (i.e. efficient and timely) service delivery for our stakeholders.

**3. Shaping BQA's Future**

We will manage the uncertainty surrounding BQA's external environment and proactively engage with critical stakeholders in order to help shape the Authority's future.

### STRATEGIC OBJECTIVES

1. To enhance the performance culture
2. To improve leadership capability
3. To drive talent management
4. To create an open and consultative environment
5. To improve service delivery through process and technology enhancements
6. To adhere to the annual performance plan
7. To play a proactive role in shaping BQA's future operating environment and conditions

# BQA Business Model & Value Proposition

## Strategic Objectives

### Strategic projects 2022/23

[illegible]

Table 4

| Name of Project | Status as at 31 March 2024 | Upcoming project deliverables |
|---|---|---|
| **Project - PB01:** Norms & Standards Development | Draft Norms and Standards and Transition Guidelines developed | • Implementation to commence 2024/25<br>• Update on implementation to be reported in the next financial year |
| **Project - PB02:** Business Process Review | Final BPR project report submitted and approved by the Board | • Implement prioritised items from the BPR Action Plan<br>• Update on implementation to be reported in the next financial year |
| **Project - PB03:** Develop Talent Management and Succession Strategy & Plan | Final Project Report presented to Management | • Implementation will follow the completion of the Organisation Development project |
| **Project - PB04:** ERP Implementation | Contract awarded | • Validation of processes and development of ERP is ongoing<br>• Update on implementation to be reported in the next financial year |
| **Project - PB05:** Implementation of Organisational Review Outcomes | The project is at stakeholder consultation stage | • Project expected to complete by 2024/25 |
| **Project - PB06:** BQA Act and Regulations Review | Proposed amendments submitted to the Ministry of Education and Skills Development on [illegible] 2024 | • Regular follow-ups with the Ministry and submission to Parliament |
| **Project - PB07:** Implementation of Cyber Security Framework | Contract awarded. Project at implementation stage | • Update on implementation to be reported in the next financial year |
| **Project - PB08:** Auditing of Legacy Programs | Ongoing stage | • Data analysis is ongoing to determine the number of legacy programmes due for audit<br>• Update on implementation to be reported in the next financial year |

## Organisational Performance

| Strategic Theme | Strategic Objective | Performance Measure | Target | Unreported | Achieved | Not Achieved |
|---|---|---|---|---|---|---|
| Organisational Renewal | To enhance the performance culture | % of Engaged Staff | 60% | 0% | 64% | 0% |
| | | % of Staff Performance Ratings "Meets" or Higher (Extended Management) | [illegible] | 0% | [illegible] | |
| | | % of Staff Performance Ratings "Meets" or Higher (All) | [illegible] | 0% | [illegible] | |
| | | % of Customers "Satisfied" and/or "Very Satisfied" | 80 % | 0% | [illegible] | 0% |
| | To increase leadership capability | % of respondents rating "Effective" and/or "Very Effective" | 80% | 0% | [illegible] | [illegible] |
| | | % of projects implemented on time and to specification | 90 % | 0% | [illegible] | [illegible] |
| | To strengthen talent management | % of vacancies filled by staff members | 80 % | 0% | 120 % | 0% |
| | | [illegible] | [illegible] | | N/A | |
| Operational Efficiency | [illegible] | % of Engaged Staff | 60 % | 0% | [illegible] | |
| | [illegible] | [illegible] | [illegible] | | N/A | |
| | | [illegible] | [illegible] | | N/A | |
| | | [illegible] | [illegible] | | N/A | |
| Shaping BQA's Future | To adhere to the annual performance plan | % adherence to annual budget (Expenditure) | +/- 5% variance from expected budget | 0% | [illegible] | [illegible] |
| | | % adherence to annual budget (Revenue) | +/- 5% variance from expected budget | 0% | [illegible] | [illegible] |
| | | % of projects "On track" (measured against time, budget and scope) | [illegible] | 0% | [illegible] | [illegible] |
| | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| | | [illegible] | [illegible] | | | |

| Indicator: | |
|---|---|
| | Target Achieved |
| | On Track |
| | Below Target |
| | Unreported |

**Organisational Performance**

1. Target Achieved - [illegible]
2. On Track - [illegible]
3. Below Target - [illegible]
4. Unreported - [illegible]

Legend

| Performance Indicator | Achieved | Not Achieved | Ongoing | Unreported |
|---|---|---|---|---|
| [illegible] | [illegible] | | | |
| 71% - 89% | [illegible] | | | |
| 90% and above | [illegible] | | | |
| | | | | [illegible] |


# Stakeholder Management

# Stakeholder Management

**BQA is committed to strong, consistent, and transparent engagement, recognising the value of proactive interactions with its key stakeholders. Our stakeholders include organisations and individuals who are directly or indirectly impacted by our actions and who, in turn, impact our operations.**

Increasing our comprehension of [illegible] engagement.

## Responsibility for Stakeholder Engagement

The Office of the Chief Executive Officer, through the Communications & Public Relations Division, [illegible]

## Stakeholder Engagement Approach

In the context of creating long-term value for all stakeholders, BQA's engagement approach includes the following:

**An inclusive approach:** [illegible]

**Materiality:** [illegible]

**Responding appropriately:** [illegible]

Through regular and appropriate stakeholder engagements, BQA [illegible]

Figure 1

# Stakeholder Management

Figure 2


The Power and Interest Matrix allows RDA not only to categorize stakeholders into current profiles, but also to define classical profiles, which help guide engagement strategies with different stakeholder groups.

Table 3

| Stakeholder Profile | Profile Description | Strategy | Means |
|---|---|---|---|
| **Type A**<br>Manage Closely<br>High Level of Power and a High Level of Interest | Highly influential in the decision making process and capable of influencing the success or failure of the Authority.<br>• RDA Employees<br>• CSPs<br>• Business Enterprises<br>• Media<br>• Law firms<br>• Research Institute<br>• [illegible]<br>• [illegible]<br>• [illegible] | These are individuals or organizations that must be fully engaged, with significant efforts made to ensure their satisfaction. | Regular meetings, seminars, and workshops.<br>Alternate communication including consultative meetings of major decisions and projects to be taken.<br>Regular progress updates. |
| **Type B**<br>Keep satisfied<br>High level of power but low level of interest | Very experienced and knowledgeable about all matters that key decision makers but have indirect influence of decision making process.<br>• Sponsors<br>• Professional Bodies<br>• Teachers/ Lecturers<br>• Reviewers | Include in consultative meetings for decision making over key initiatives.<br>Sufficient effort is necessary to keep this group satisfied. | Consultative Meetings<br>Workshops<br>Website<br>Social Media<br>Annual Reports |
| **Type C**<br>Keep informed<br>Low level of power but high level of interest | Not key decision makers affected by the Authority decisions. Often large groups or communities can affect the success of the Authority by supporting or [illegible].<br>• Public<br>• Tribal leaders<br>• Politicians<br>• Parastatals<br>• Youth Organizations<br>• Investors<br>• Suppliers | Keep adequately informed and engaged.<br>Gather feedback to ensure that no major issues arise.<br>Highest communication effort during key decisions and projects. | Newsletters<br>Emails<br>Surveys |
| **Type D**<br>Monitor<br>Low level of power and low level of interest | Not key decision makers<br>• Religious Organizations<br>• Law Enforcement Agency | Monitor group.<br>Only provide information where relevant. | Social Media, Website, Newsletter Exhibitions, Mail circulations |

# Stakeholder Management

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

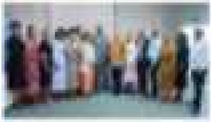
# Stakeholder Management



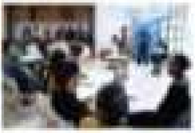









# Internal Audit and Risk Management

## Internal Audit

## Risk Management

# Operational Performance

# Operational Performance

## Performance Overview

### Registration of Qualifications on the NCQF

[illegible]

1. [illegible]

2. [illegible]

3. [illegible]

4. [illegible]

#### Registration of Qualifications since Inception

Table 1

| Field of Learning | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Agriculture and Nature Conservation | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Business, Commerce and Management Studies | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Culture, Arts & Crafts | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Education and Training | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Generic Skills | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Health & Social Services | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Information & Communication Technology | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Law & Security | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Manufacturing, Engineering and Technology | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Mining | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Natural, Mathematical and Life Sciences | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Physical Planning and Construction | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Services | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Grand Total | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# Operational Performance

## Registration of Qualifications on the NCQF for the year 2023/24

| Row Labels | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|---|---|---|---|---|
| Agriculture and Nature Conservation | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Business, Commerce and Management Studies | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Culture and Arts | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Education and Training | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Health & Social Services | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Humanities and Social Sciences | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Information & Communication Technology | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Law & Security | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Manufacturing, Engineering and Technology | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Mining | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Natural, Mathematical and Life Sciences | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Physical Planning and Construction | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Services | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| **Grand Total** | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

The National Credit and Qualifications Framework (NCQF) has been populated with [illegible] qualifications cumulatively since inception. During the reporting period, the Authority experienced a decline in registrations. Among the reasons for this decline is the fact that ETPs have registered qualifications and are now focusing on the development of learning programmes for these qualifications. Another contributing factor to the decline is that some qualifications are due for review as they have expired, and some are about to expire. The Authority is assisting in reviewing the expired qualifications so as to ensure their registration on the NCQF.

Operational Performance

# Quality Assurance

## Registration and Accreditation of ETPs and Awarding Bodies

[illegible]

- [illegible]
- [illegible]
- [illegible]
- [illegible]

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

[illegible]

[illegible]

| ETPs Registered and Accredited by Quarter and Category | | |
|---|---|---|
| | Public | Private |
| Q1 | [illegible] | [illegible] |
| Q2 | [illegible] | [illegible] |
| Q3 | [illegible] | [illegible] |
| Q4 | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

## Registration of Consultancies

[illegible]

[illegible]

| | |
|---|---|
| [illegible] | [illegible] |
| [illegible] | [illegible] |
| [illegible] | [illegible] |
| [illegible] | [illegible] |
| | |
| Total | [illegible] |

[illegible]

# Operational Performance

## Accreditation of Learning Programmes

[illegible]

[illegible]

| | 2023 | | | | | | | | | 2024 | | | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | |
| Learning Programme Type | | | | | | | | | | | | | |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Diploma | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Bachelor's Degree | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Bachelor's Degree (Honours) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Post Graduate Certificate | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Post Graduate Diploma | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Master's Degree | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Doctoral Degree | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Grand Total | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

[illegible]

[illegible]

| Category of Legacy Learning Programmes | TVET | HE | Total |
|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | |

[illegible]

[illegible]

[illegible]

[illegible]

## Evaluation of Qualifications

[illegible]

### Applications for Evaluation of Local Qualifications

[illegible]

Table 14: Local Qualifications Received for Evaluation

| | [illegible] |
|---|---|
| Qualifications brought forward from previous year | [illegible] |
| Qualifications received during the year under review | [illegible] |
| **Total** | **[illegible]** |
| Qualifications evaluated | [illegible] |
| Closed applications | [illegible] |
| Pending as at 31 March 2024 | [illegible] |

### Applications for Evaluation of External qualifications

[illegible]

[illegible]

Table 15: External Qualifications Received for Evaluation

| | [illegible] |
|---|---|
| Qualifications brought forward from previous year | [illegible] |
| Qualifications received | [illegible] |
| **Total** | **[illegible]** |
| Qualifications evaluated | [illegible] |
| Closed applications | [illegible] |
| Pending as at 31 March 2024 | [illegible] |

### Evaluation of Qualifications by Countries of Origin

[illegible]

## Operational Performance

Table 16: Evaluated External Qualifications by Countries of Origin

| Country of Origin | Number of Qualifications Evaluated | Percentage to the overall % |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| China | [illegible] | [illegible] |
| India | [illegible] | [illegible] |
| South Africa | [illegible] | [illegible] |
| United Kingdom | [illegible] | [illegible] |
| United States | [illegible] | [illegible] |
| Zambia | [illegible] | [illegible] |
| Zimbabwe | [illegible] | [illegible] |
| Other Countries | [illegible] | [illegible] |

## Challenges in the Evaluation of Qualifications and Mitigation

[illegible]

[illegible]

# Human Resource **Management**

# Human Resource Management

[illegible]

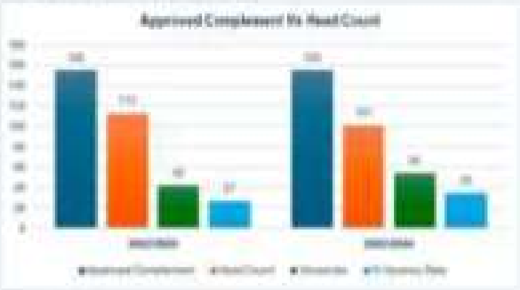
## Human Resource Function Statistics

[illegible]

## Complement Vs Head Count

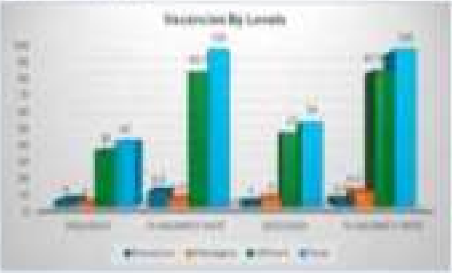
[illegible]

Figure: 3 Approved Complement Vs Head Count




[illegible]

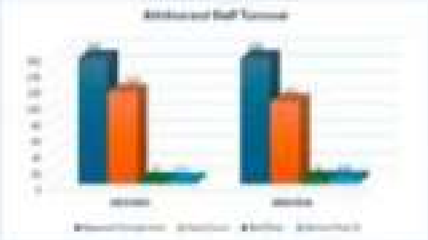
## Vacancies by Levels



[illegible]

## Attrition Rate and Staff Turnover

[illegible]



[illegible]

[illegible]

# Human Resource Management

[illegible]

## Reasons for Staff Exits

[illegible]

[illegible]

[illegible]

## Position Levels by Gender

[illegible]


[illegible]

## Performance Management

[illegible]

[illegible]

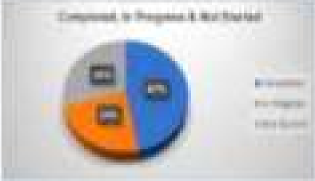
# Human Resource Management

[illegible]

[illegible]

## Learning & Development Plan Status

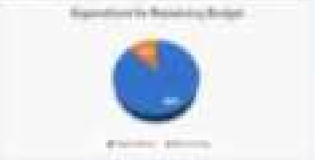
[illegible]




## Expenditure Vs Remaining Budget

[illegible]

[illegible]




## Leadership Development Programmes

[illegible]

[illegible]

## Industrial Relations Update

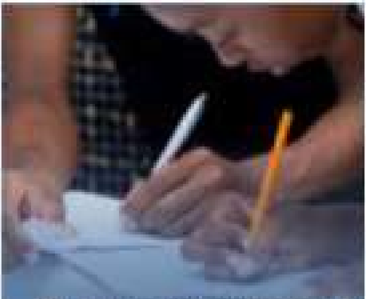
[illegible]

## Human Resource Policies

[illegible]

# Sustainability

# 11 Sustainability



**BQA remains unwavering in its dedication to sustainable development, evident in its operational initiatives and mandate. This report captures the Authority's endeavours in environmental, social and governance throughout the financial year 2023-24.**

## Environmental

[illegible]

[illegible]

## Social

[illegible]

[illegible]

[illegible]

[illegible]

## Governance

[illegible]

[illegible]

[illegible]

# 12 Governance and Remuneration

## Board Structure and its Composition

[illegible]

[illegible]

[illegible]

## Board Meetings

[illegible]

## Declaration of Interest

[illegible]

[illegible]

## Code of Conduct and Ethics

[illegible]

## Board Remuneration

[illegible]

## Board Evaluation

[illegible]

[illegible]

## Statutory Requirements Compliance

[illegible]

# Governance and Remuneration

## Delegation

The Board has delegated the day to day management of the affairs of the Authority to the Chief Executive Officer who consequently is accountable and reports quarterly to the various governance structures.

## BQA Governance Framework

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

**Table 27**

| BQA Governance Checklist | Adherence |
|---|---|
| Botswana Qualifications Authority Act No. 24 of 2013 | ✓ |
| BQA Regulations | ✓ |
| Board and Board Committees Code of Conduct and Ethics | ✓ |
| Board and Board Committees Charters | ✓ |
| BQA Internal Audit Charter | ✓ |
| Whistleblowing Policy | ✓ |
| BQA Corporate Strategy | ✓ |
| BQA Quality Manual | ✓ |
| BQA Procedures Manual | ✓ |

# BQA APPLICATION OF THE KING IV CODE

# Governance and Remuneration

## Applying and explaining

The Botswana Qualifications Authority Board adopted **KING IV™** on the [illegible], which requires an **"Apply AND Explain"** approach to disclosure, as opposed to King III™ which was 'Apply or Explain'. The application of the principles is assumed, and an explanation is disclosed on the practices that have been implemented and how this supports achieving the associated governance principle. For matters not yet fully implemented the Board has provided a timeline/action plan for implementation.

## Why the BQA Board decided to apply and explain King IV™

[illegible]

***The governance outcomes achieved, along with the adopted and implemented practices, will serve as the criteria for measuring the required standard of care and conduct for the BQA Board and its members as they strive for quality.***

**KING IV™ CORPORATE GOVERNANCE REPORT**

| PRINCIPLE & APPLICATION | HOW BQA APPLIES THIS PRINCIPLE | REFERENCE MATERIAL |
|---|---|---|
| Principle 1:<br><br>The governing body should lead ethically and effectively.<br><br>**Recommended Practice**<br><br>The Board Members should conduct the business of the affairs of the Authority in a transparent manner holding each other accountable for their actions. | Members of the Board and Committees declare conflict of interest at every meeting of the Board before making decisions.<br><br>The Conflict of interest is recorded in the minutes of the Board and Committees.<br><br>The Board or Committees make decisions on the participation of the member who has declared a presence of conflict of interest.<br><br>**Action Plan:**<br>• The Board is in the process of adopting a Conflict of Interest Policy by September 2024. | • Conflict of interest register<br>• Minutes of the Board and Committees |
| Principle 2:<br><br>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.<br><br>**Recommended Practice**<br><br>The Board should set the tone at the top and is responsible for cultivating the governance and ethics of the Authority. | The Board has approved policies to ensure an ethical environment.<br><br>In the quarter under review there has not been any disciplinary matter that made relevant a breach of ethical conduct for staff nor has there been a complaint against the ethical conduct of a Board member.<br><br>The provisions of the BQA Ethics and Business Conduct for Board members have not been invoked against any Board member.<br><br>**Action Plan:**<br>• BQA has plans to approve a Code of Ethics and Business Conduct for Board Members by November 2024. | • Board Charter<br>• BQA General Conditions of Service (Code of Conduct for staff) |

# Governance and Remuneration

[illegible]

| [illegible] | [illegible] | [illegible] |
|---|---|---|
| Principle [illegible]<br>[illegible]<br>**Recommended Practice**<br>[illegible] | [illegible] | [illegible] |
| Principle [illegible]<br>[illegible]<br>**Recommended Practice**<br>[illegible] | [illegible]<br>**Action Plan**<br>[illegible] | [illegible] |

# Governance and Remuneration

**KING IV CORPORATE GOVERNANCE REPORT continued**

| PRINCIPLE & APPLICATION | HOW BQA APPLIES THE PRINCIPLE | REFERENCE MATERIAL |
|---|---|---|
| Principle 5<br><br>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of its performance and its short, medium and long term prospects.<br><br>**Recommended Practice**<br><br>[The governing body ensures that the organisation issues an integrated report at least annually.<br><br>The governing body oversees that the following information is published on the organisation's website, or on other platforms or through other media as is appropriate for access by stakeholders:<br><br>(Corporate governance disclosures required in terms of the Code [refer to Part 5 King IV Application and Disclosure] for more detail)<br><br>Annual financial statements and other external reports.] | The BQA Board assumes responsibility for the organisation's reporting by setting the direction for how it should be approached and conducted (including reporting standards) to be used, taking into account legal requirements and the intended audience and purpose of each report.<br><br>The governing body oversees those reports such as the annual financial statements, sustainability reports, or other online or printed information or reports are issued, as is necessary, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders.<br><br>Integrated Reports are published annually on BQA website. | • Annual Integrated Reports<br>• Botswana Qualifications Authority Act |
| Principle 6<br><br>The governing body should serve as the focal point and custodian of corporate governance in the organisation.<br><br>**Recommended Practice**<br><br>[The governing body exercises its leadership role by:<br>• steering the organisation and setting its strategic direction;<br>• approving policy and planning that give effect to the direction provided;<br>• overseeing and monitoring of implementation and execution by management; and<br>• ensuring accountability for organisational performance by means of, among others, reporting and disclosure. | The Board has exercised its leadership role by:<br>• steering the organisation and setting its strategic direction;<br>• approving policy and planning that give effect to the direction provided;<br>• overseeing and monitoring of implementation and execution by management; and<br>• ensuring accountability for organisational performance by means of, among others, reporting and disclosure.<br><br>**Action Plan**<br>The Board intends to include the Chief Executive Officer in all meetings of the Board from November 2018 except where she is personally conflicted, or where the meeting is the annual Non-Executive Board Members. The Board acknowledges that it has been excluding the Chief Executive Officer from some meetings of the Board without offering reasons for such and where the CEO is excluded, reasons will be given. | • [illegible]<br>• Board Charter |

# Governance and Remuneration



| PRINCIPLE & APPLICATION | HOW BQA APPLIED THIS PRINCIPLE | REFERENCE MATERIAL |
| --- | --- | --- |
| Principle 7<br><br>The governing body should comprise of the appropriate balance of knowledge and experience, diversity and independence for it to discharge its governance role and responsibility objectively and effectively.<br><br>**Recommended Practice**<br><br>The governing body should comprise of the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. | The Board could not fully apply this principle by assuming responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role.<br>The appointments of Board Members are by law done by the Minister of Education and Skill Development.<br><br>Because of the appointments are by law done by the Minister, the Board considered the following matters:<br>• promote diversity in the membership<br>• set targets for race and gender representation in its membership<br><br>The principle is therefore ... as applied by the Minister in the appointment of Board Members.<br><br>The Chair of the governing body is independent.<br><br>The Board has eight women and three men.<br><br>**Action Plan**<br>The Board plans to approve a policy aimed at enhancing the diversity of its membership, in consultation with the Minister, by November 2024. | • Botswana Qualifications Authority Act<br>• Board Charter |
| Principle 8<br><br>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties. | The BQA Board has delegated authority to committees (as outlined in Formal Committee Charters) which are reviewed and approved annually by the Board.<br><br>**Action Plan**<br>The Board has observed that the Appeals Committee consists of the same members of the Board who would have partaken in the decision making, to ensure independent judgement and assist with balance of power.<br>• The Board shall delegate further to Management and the Board Committees by November 2024.<br>• The Board shall re-constitute its Committees and terms of reference by November 2024. | • Botswana Qualifications Authority Act<br>• Board Charter<br>• Quality Assurance Committee Charter<br>• Qualifications Framework Maintenance Charter<br>• Risk and Audit Committee Charter<br>• Human Resources Committee Charter<br>• Finance Committee Charter<br>• Appeals Committee Charter |

# Governance and Remuneration

**KING IV ON CORPORATE GOVERNANCE REPORT continued**

| PRINCIPLE & APPLICATION | HOW BQA APPLIED THIS PRINCIPLE | REFERENCE MATERIAL |
|---|---|---|
| Principle 9<br><br>The governing body should ensure that the evaluation of its own performance and its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness.<br><br>**Recommended Practice**<br><br>Appoint a lead independent director, if there is no one, to lead the evaluation of the chair.<br><br>Ensure that every two years an externally facilitated performance evaluation be was not in accordance with the approved methodology of the governing body is conducted on itself, its committees, its chair and individual members, and every alternate year reflect on the performance of itself, its committees, its Chair and its members.<br><br>Disclose a description of the performance evaluations, whether formally, whether or not externally facilitated, an overview of results and remedial actions, whether it is satisfied that it is improving its performance and effectiveness. | The Board has not applied this principle. The Board has not assessed its performance.<br><br>The Performance of the Chair has not been assessed.<br><br>**Action Plan**<br>- The Board will engage the services of an external facilitator to develop a methodology for assessment for the Board by November 2024.<br>- The Board appoints an independent Board Member to assess the performance of the Chairperson by March 2025.<br>- The Board to evaluate its own performance by March 2025. | - Board Charter<br>- Quality Assurance Committee Charter<br>- Qualifications Framework Maintenance Charter<br>- Risk and Audit Committee Charter<br>- Human Resource Committee Charter<br>- License Committee Charter<br>- Appeals Committee Charter |
| Principle 10<br><br>The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibility. | The Board has appointed the CEO who is responsible for leading the implementation and execution of approved strategy, policies and operational planning, and serves as the chief link between Management and the Board.<br><br>The CEO is accountable and reports to the Board. The CEO and the Board have agreed that the CEO should not have any additional professional positions including membership of other governing bodies outside the organisation.<br><br>The Board is yet to approve the succession plan for the various positions, including for the CEO.<br><br>**Action Plan**<br>- The Board shall delegate further to the CEO through a Delegation Policy to be approved by December 2024.<br>- The Board shall delegate to the CEO some regulatory activities which due to their nature require decisions to be made within 14 days. | |

# Governance and Remuneration

KING IV™ CORPORATE GOVERNANCE REPORT Continues

| PRINCIPLE & APPLICATION | HOW [illegible] APPLIES THE PRINCIPLE | REFERENCE MATERIAL |
|---|---|---|
| Principle 11<br><br>The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.<br><br>**Recommended Practice**<br><br>Treats risk as an integral part of decision making and adherence to duties; approves risk policy, evaluate and agree the risks it is prepared to take (i.e. risk appetite and risk tolerance levels).<br><br>Delegate to management risk management implementation.<br><br>Oversee that risk management (including assessment of risks and opportunities in relation to the triple context and use of the capitals, achievement of objectives, dependence on resources as well as the risk responses, business continuity and culture of the organisation). | The Board has not fully applied this principle. However, the Board treats risk as integral to the way it makes decisions and executes its duties.<br><br>The Board is yet to evaluate and agree on the nature and extent of the risks that the organisation should be willing to take in pursuit of its strategic objectives.<br><br>The Board exercises ongoing oversight of risk management.<br><br>**Action Plan**<br>The Board will by November 2024 approve in principle:<br><br>• the organisation's risk appetite, namely its propensity to take appropriate levels of risk; and<br>• the limit of the potential loss that the organisation has the capacity to tolerate.<br>• Appointment of a Risk Manager. | • Board Charter<br>• Risk and Audit Charter |
| Principle 12<br><br>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.<br><br>**Recommended Practice**<br><br>The governing body has assumed responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed in the organisation. | The Board has approved the **Information Technology (IT) Security Policy**.<br><br>The Board drives the strategic objectives that result in utilisation of ICT facilities.<br><br>The Board is driving the institution to a paperless status.<br><br>The Board has reduced paper usage for its meetings by limiting the distribution of physical documents to its members.<br><br>The Board ensures that the use of ICT facilities is safe.<br><br>**Action Plan**<br>• Digital signatures will be in place by June 2024 for all Board members.<br>• By December 2024 the use of Laptops / Notebooks by all members of the Board and staff should not be a privilege but a need. | • IT Security Policy |

## Governance and Remuneration

**KING IV ON CORPORATE GOVERNANCE REPORT continued**

| PRINCIPLE & APPLICATION | HOW BQA APPLIES THE PRINCIPLE | REFERENCE MATERIAL |
|---|---|---|
| Principle 13<br><br>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. | The governing body has assumed responsibility for the governance of compliance with applicable laws and adopted, non-binding rules, codes and standards by setting the direction for how compliance should be approached and addressed in the organisation.<br><br>The Board has delegated to Management responsibility for implementation and execution of effective compliance management.<br><br>**Action Plan**<br>The Board will approve a code of ethics and business conduct for members in September 2024. | - King IV<br>- Board Charter |
| Principle 14<br><br>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. | The Board has not yet applied this principle. The Board is yet to approve the remuneration policy that has been deferred to await the organisational restructuring. | |
| Principle 15<br><br>The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. | The BQA Board has delegated to the Risk and Audit Committee the responsibility for overseeing that and achieving the following objectives:<br><br>• Enabling an effective internal control environment.<br>• Supporting the integrity of information used for internal decision-making by management and the governing body and its committees.<br>• Supporting the integrity of external reports. | |

# Governance and Remuneration



| PRINCIPLE & APPLICATION | HOW BQA APPLIES THIS PRINCIPLE | REFERENCE MATERIAL |
| --- | --- | --- |
| Principle 16<br><br>In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.<br><br>**Recommended Practices**<br>Direct the stakeholder approach and approve policies to this effect.<br><br>Delegate to management effective stakeholder relationship management.<br><br>Oversee the management of stakeholder relationships including methodology, the identification of material stakeholders, management of stakeholder risk, formal mechanisms for engagement and communication, and measurement of quality of stakeholder engagement.<br><br>Disclose an overview of stakeholder management, current and future focus areas and actions taken to monitor and address stakeholder engagement effectiveness. | The BQA Board has delegated management the stakeholder engagement.<br><br>The Board has approved the Communication Strategy.<br><br>The key Stakeholders identified include:<br><br>• Shareholder (Ministry of Education and Skills Development (MoESD))<br>• Professional / Regulatory bodies<br>• Learners<br>• Education and training providers (ETPs)<br>• BQA Staff<br>• Media<br>• Business/Employers | • BQA Strategy 2022-2026<br><br>• Communications and Public Relations Strategy 2022-2026<br><br>• Communications and Stakeholder Engagement Plan 2023/2024 |

# BOARD AND COMMITTEES

# Board Committees

In terms of Section [illegible] of the SQA Act, the SQA Board had established seven (7) Board Committees to assist with the execution of its responsibilities. The committees are Quality Assurance Committee, Qualifications [illegible] Committee, [illegible] Committee, Finance Committee, Risk & Audit Committee, [illegible]. During the year under review the committees met to ensure proper running of the Authority. The Chairperson and Vice Chairperson of each committee are appointed from amongst members of the Board as per the SQA Act.

The Committees meet at least four (4) times a year except the Appeals Committee, which meets when there are appeals to consider. The Committees report and make recommendations to the Board. The table below reflects the composition and structure of the Board Committees.

| Board Committee | Mandate & Key Activities | Members | No of Meetings |
|---|---|---|---|
| Finance Committee (FC) | **Mandate**<br>The Finance Committee (FC) was established with a primary responsibility toward the Board in fulfilling its oversight responsibility by reviewing all matters pertaining to all finance and administration within the Authority. The Committee provides oversight on the financial reporting process, the system of internal controls and compliance with applicable legislation and regulation.<br><br>**Composition and Membership**<br>As per the FC Charter, the Committee shall comprise of seven (7) members nominated by the Board, with the Chairperson and Vice Chairperson being members of the Board. Each member served for a period of three (3) years.<br><br>**Activities of the Committee**<br>• Submission for approval of the 2023/24 budget<br>• Quarterly management reports<br>• Review the systems established by the Authority to ensure compliance with policies, budgets, [illegible] of operation procedures, laws and regulations which may have significant impact on operations and reports is done through the quarterly management reports.<br>• The review and recommendation of investment management [illegible] to the Board for approval is done through the approval of investment of surplus funds [illegible] delegated [illegible] authority to [illegible] Finance and Administration.<br>• The review of [illegible] with applicable tax requirements [illegible] is done through the quarterly management reports. [illegible] | As at 31 March 2024, Finance Committee (FC) constituted of the following members:<br><br>**[illegible] Chairperson**<br>Term expires<br>[illegible]<br><br>[illegible]<br>Term expires<br>[illegible]<br><br>[illegible]<br>Term expires<br>[illegible]<br><br>[illegible]<br>Term expires<br>[illegible]<br><br>[illegible]<br>Term expires<br>[illegible] | There were four (4) meetings in 2023/24, held on the following dates:<br><br>• 11 May 2023<br>• [illegible]<br>• 21 November 2023<br>• 1 March 2024 |

# Board and Committees

| Board Committee | Mandate & Key Activities | Members | No. of Meetings |
|---|---|---|---|
| Human Resource Committee (HRC) | **Mandate**<br>The Human Resource Committee (HRC) was established with a primary responsibility to assist the Board in fulfilling its oversight responsibilities [illegible]<br><br>**Composition and Membership**<br>[illegible]<br><br>**Activities of the Committee**<br>[illegible] | As at 31 March [illegible] HRC constituted of the following members:<br><br>**Ms [illegible]**<br>**Chairperson**<br>[illegible]<br><br>Ms [illegible]<br>[illegible]<br><br>Ms [illegible]<br>[illegible]<br><br>Mr [illegible]<br>[illegible] | There were [illegible] HRC meetings [illegible] held on the following dates:<br><br>- [illegible] April [illegible]<br>- [illegible] April [illegible]<br>- [illegible] April [illegible]<br>- [illegible] May [illegible]<br>- [illegible] May [illegible]<br>- [illegible] June [illegible]<br>- [illegible] July [illegible]<br>- [illegible] August [illegible]<br>- [illegible] August [illegible]<br>- [illegible] August [illegible]<br>- [illegible] September [illegible]<br>- [illegible] September [illegible]<br>- [illegible] November [illegible]<br>- [illegible] November [illegible]<br>- [illegible] December [illegible]<br>- [illegible] December [illegible]<br>- [illegible] January [illegible] |

# Board and Committees

| Board Committee | Mandate & Key Activities | Members | No of Meetings |
|---|---|---|---|
| Quality Assurance Committee (QAC) | **Mandate**<br>The Quality Assurance Committee (QAC) was established with a primary responsibility to consider and make recommendations to the Board on applications for registration and accreditation of education and training providers, [illegible] assessment of registration and accreditation of education and training providers and learning programmes. As well as to oversee [illegible] quality assurance procedures and systems, ensuring that they meet the [illegible] requirements and reflect best practice.<br><br>**Composition and Membership**<br>As per the QAC Charter, the Committee shall comprise of [illegible] members nominated by the Board, with the Chairperson and Vice Chairperson being members of the Board. Each member serves for a period of three (3) years.<br><br>**Activities of the Committee**<br>- QAC considered the Registration and Accreditation of Education and Training Providers and Awarding Bodies with a scope of [illegible] National Credit and Qualifications Framework Levels [illegible]<br>- Recommended to the Board to approve the Registration of [illegible] Education and Training Providers [illegible] Registration and Accreditation requirements.<br>- Recommended to the Board to approve the Registration and Accreditation of Education and Training Providers and Awarding Bodies with a Scope of Accreditation at Levels [illegible] of the National Credit and Qualifications Framework.<br>- QAC considered the accreditation of Learning Programmes at Levels [illegible] of the National Credit and Qualifications Framework.<br>- Recommended to the Board to consider the Accreditation of Learning Programmes at Levels [illegible] of the National Credit and Qualifications Framework.<br>- Considered and Recommended to the Board the Approval of Quality Assurance Standard [illegible] Criteria and Guidelines for Accreditation of Non-National Credit and Qualifications Framework Learning Programmes.<br>- Considered and Recommended to the Board the Approval of the Criteria and Guidelines for Registration of [illegible]<br>- Noted [illegible] made for the Management [illegible] for the year 2023/2024.<br>- Noted the [illegible] Performance updates at the meetings held on [illegible] 2024. | As at 31 March 2024 QAC constituted of the following members:<br><br>**Professor [illegible]**<br>**Chairperson**<br>Term expires [illegible] 2024<br><br>Dr. [illegible]<br>Term expired [illegible] 2024<br><br>Ms. [illegible]<br>Term expires [illegible] 2025<br><br>Mr. [illegible]<br>Term expires [illegible] 2025<br><br>Mr. [illegible]<br>Term expires [illegible] 2025<br><br>Mr. [illegible]<br>Term expires [illegible] 2025 | There were ten (10) QAC meetings in 2023/24 held on the following dates:<br><br>- 4 May 2023<br>- 26 May 2023<br>- 8 June 2023<br>- 17 July 2023<br>- 11 August 2023<br>- 7 September 2023 (Special Meeting)<br>- 18 September 2023<br>- 17 October 2023<br>- 16 November 2023<br>- 15 February 2024 |

# Board and Committees

| Board Committee | Mandate & Key Activities | Members | No. of Meetings |
|---|---|---|---|
| Risk and Audit Committee (RAC) | **Mandate:** [illegible]<br><br>**Composition and Membership:** [illegible]<br><br>**Activities:** [illegible] | [illegible] | [illegible] |
| Appeals Committee (AC) | **Mandate:** [illegible] | [illegible] | |

# Board and Committees

| Board Committee | Mandate & Key Activities | Members | No. of Meetings |
|---|---|---|---|
| Qualifications Framework Maintenance Committee (QFMC) | **Mandate:**<br>The Qualifications Framework Maintenance Committee (QFMC) was established with a primary responsibility to oversee the development and maintenance of the Namibian Credit and Qualifications Framework (NCQF) and to also oversee its implementation across the three (3) subsystems of education and training: General Education (GE), Vocational and Technical Education and Training (TVET) and Higher Education (HE).<br>Composition and Membership<br><br>As per the QFMC Charter, the Committee shall comprise of [illegible] ([illegible]) members nominated by the Board, with the Chairperson and Vice-Chairperson being members of the Board. Each member shall serve for a period of three (3) years.<br><br>**Activities:**<br>• QFMC approved [illegible] of Qualifications at Level [illegible] on the National Credit and Qualifications Framework (NCQF).<br>• Recommended to the Board to approve [illegible] Qualifications at Level [illegible] on the NCQF.<br>• Noted decisions made by the Management Qualifications Framework Maintenance Committee (MQFMC) of [illegible].<br>• Noted decisions made by the MQFMC on Qualifications at Level [illegible] on the NCQF.<br>• Noted the NCQF Strategic Updates of 2023/24.<br>• Noted the Action Plan for Joint [illegible] and QFMC.<br>• [illegible] training on the use of [illegible].<br>• Recommended the Policy on Qualifications [illegible] to the Board.<br>• Recommended the Policy on Recognition of Qualifications (Level [illegible]) to the Board.<br>• Noted the Updates on NQA Strategic Projects. | As at 31 March 2024 QFMC consisted of the following members:<br><br>**Dr [illegible]**<br>**Chairperson**<br>Term Expires: [illegible]<br><br>[illegible]<br>Term Expires: [illegible]<br><br>[illegible]<br>Term Expires: [illegible]<br><br>[illegible]<br>Term Expires: [illegible]<br><br>[illegible]<br>Term Expires: [illegible]<br><br>[illegible]<br>Term Expires: [illegible] | There were eight (8) QFMC meetings in 2023/24, held on the following dates:<br><br>• 19 April 2023<br>• 15 June 2023<br>• 20 July 2023<br>• 16 August 2023<br>• 14 September 2023<br>• 12 October 2023<br>• 13 December 2023<br>• 25 January 2024 |

# Board Remuneration

01 April 2023 to 31 March 2024

Table 18: Board Members Remuneration

| Name of Board Member | Number of Scheduled Board Meetings | Number of Special Meetings | Number of Committee Meetings | Total Number of Meetings | Amount paid (BWP) |
|---|---|---|---|---|---|
| [illegible] | 4 | [illegible] | | [illegible] | [illegible] |
| [illegible] | 4 | [illegible] | | [illegible] | [illegible] |
| Dr Rebecca Nthogo Kgosimore | 4 | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | 4 | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | 4 | [illegible] | [illegible] | [illegible] | [illegible] |
| Prof Victor Mosarwa | 4 | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | 4 | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | 4 | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | 4 | [illegible] | [illegible] | [illegible] | [illegible] |
| TOTAL | | | | | [illegible] |

# Governance and Remuneration

[illegible] Committee Members (Non Board Members)

| Name of Board Member | Committee | Number of scheduled meetings | Number of special meetings | Total Number of meetings | Amount paid (BWP) |
|---|---|---|---|---|---|
| [illegible] | HHC | [illegible] | 3 | 4 | [illegible] |
| [illegible] | HHC | 4 | 8 | [illegible] | [illegible] |
| [illegible] | HHC | 4 | 13 | 17 | [illegible] |
| [illegible] | CC | 3 | 3 | 6 | [illegible] |
| [illegible] | CC | [illegible] | 4 | 6 | [illegible] |
| [illegible] | CC | 4 | 4 | 8 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | 4 | [illegible] |
| [illegible] | [illegible] | 4 | 3 | 7 | [illegible] |
| [illegible] | [illegible] | 4 | 9 | [illegible] | [illegible] |
| [illegible] | [illegible] | 4 | 8 | [illegible] | [illegible] |
| [illegible] | [illegible] | 4 | 9 | [illegible] | [illegible] |
| [illegible] | UAC | | 2 | 2 | [illegible] |
| [illegible] | UAC | 4 | 7 | 11 | [illegible] |
| [illegible] | [illegible] | 4 | 8 | [illegible] | [illegible] |
| [illegible] | [illegible] | | 4 | 4 | [illegible] |
| [illegible] | [illegible] | | 5 | 5 | [illegible] |
| [illegible] | [illegible] | [illegible] | 8 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | 8 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | 6 | 8 | [illegible] |
| [illegible] | [illegible] | [illegible] | 6 | 8 | [illegible] |
| [illegible] | [illegible] | [illegible] | 3 | 4 | [illegible] |
| TOTAL | | | | | [illegible] |

## Remuneration of Key Personnel

The remuneration of Executive Directors consists of short term and post employment benefits.

| Name | Designation | Amount (BWP) |
|---|---|---|
| [illegible] | Chief Executive Officer | [illegible] |
| [illegible] | Deputy Chief Executive Officer | [illegible] |
| [illegible] | Director, Finance and Administration | [illegible] |

# 13 Audited Annual FINANCIAL STATEMENT

**BOTSWANA QUALIFICATIONS AUTHORITY**

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

Annual Financial Statements

For The Year Ended 31 March 2024

# AUDITED ANNUAL FINANCIAL STATEMENTS

**For the year ended 31 March 2024**

## AUTHORITY INFORMATION

Domicile, legal form and principal business activity

The Botswana Qualifications Authority (BQA) is a corporate body domiciled in Botswana, established under the Botswana Qualifications Authority Act No. 24 of 2013. Its mandate is to provide and maintain a National Credit and Qualifications Framework and to coordinate the Education, Training, and Skills Development quality assurance system.

**Physical address:** Plot [illegible], Block 7
Gaborone

| Members of the Board | Name and Surname | Date Appointed | Date Resigned |
|---|---|---|---|
| | Chairperson – Mr [illegible] | 21 November 2021 | |
| | Ms [illegible] | 20 July 2021 | |
| | Professor [illegible] | 20 July 2021 | |
| | Dr [illegible] | 20 July 2021 | |
| | Ms [illegible] | 20 July 2021 | |
| | Ms [illegible] | 20 July 2021 | |
| | Dr [illegible] | [illegible] 2022 | |
| | Mr [illegible] | [illegible] 2022 | |
| | Mr [illegible] | [illegible] 2022 | |
| Board Secretary | Ms [illegible] | 04 April 2023 | 15 December 2023 |
| Chief Executive Officer | Professor [illegible] | [illegible] September 2018 | |

**Postal address:** Private Bag [illegible]
Gaborone

**Auditors:** Grant Thornton Botswana

**Bankers:** First National Bank of Botswana Limited
Stanbic Bank Botswana Limited

Fund Managers: [illegible] Botswana

Parent Ministry: Ministry of Education and Skills Development

# AUDITED ANNUAL FINANCIAL STATEMENTS

**For the year ended 31 March 2024**

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|---|---|

# STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

**For the year ended 31 March 2024**

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

**Chairperson**

**[illegible]**

**Board Member**

**[illegible]**

# Auditor's Report

Grant Thornton

Chartered Accountants

Grant Thornton
Acumen Park, Plot 50370
Fairgrounds, Gaborone
P O Box 1157
Gaborone, Botswana

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F +267 397 2357

## Independent Auditor's Report

**To the Members of Botswana Qualifications Authority**

**Report on the annual financial statements**

**Opinion**

We have audited the annual financial statements of Botswana Qualifications Authority set out on pages 3 to 43, which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Botswana Qualifications Authority as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and requirements of Section 23 of the Botswana Qualifications Authority Act of 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 1,3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon.

We have no key audit matters to report.

Grant Thornton

**Other Matter**

The annual financial statements of Botswana Qualifications Authority for the year ended 31 March 2023, were audited by another auditor, Mazars, who expressed an unmodified opinion on those statements on 18 July 2023.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Botswana Qualification Authority annual financial statements for the year ended 31 March 2024", which includes Director's report and the detailed income Statement, which we obtained prior to the date of this report. 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 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 Directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors 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 directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

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

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

# Statement of Profit or Loss

**STATEMENT OF PROFIT OR LOSS**
for the year ended 31 March 2024

| | Note | 2024 P | 2023 P |
|---|---|---|---|
| **Income** | | | |
| Government Subvention | 1 | [illegible] | [illegible] |
| Revenue from BQA Services | 1 | [illegible] | [illegible] |
| | | [illegible] | [illegible] |
| Amortisation of capital grants | 5.3 | [illegible] | [illegible] |
| Amortisation of project funds | 5.4 | [illegible] | [illegible] |
| Other income and miscellaneous income | 2.1 | [illegible] | [illegible] |
| **Total income** | | [illegible] | [illegible] |
| **Expenditure** | | | |
| Amortisation of intangible assets | | [illegible] | [illegible] |
| Advertising and promotion | | [illegible] | [illegible] |
| Audit fees | | [illegible] | [illegible] |
| Computer expenses | | [illegible] | [illegible] |
| Depreciation of property, plant and equipment | | [illegible] | [illegible] |
| Depreciation right of use | | [illegible] | [illegible] |
| Maintenance and [illegible] costs | | [illegible] | [illegible] |
| [illegible] | | [illegible] | [illegible] |
| Accreditation and [illegible] fees | | [illegible] | [illegible] |
| Research and consultancy | | [illegible] | [illegible] |
| Staff costs | 2.2.1 | [illegible] | [illegible] |
| Travel and accommodation expenses | | [illegible] | [illegible] |
| Workshops and conferences | | [illegible] | [illegible] |
| Movement in impairment [illegible] loss | 4.3.1 | [illegible] | [illegible] |
| Other operating expenses | 2.2 | [illegible] | [illegible] |
| **Total expenditure** | 2.2 | [illegible] | [illegible] |
| **Surplus / (Deficit) for the year** | | [illegible] | [illegible] |

# Statement of Financial Position

**STATEMENT OF FINANCIAL POSITION**
**As at 31 March 2024**

| | Note | 2024<br>P | 2023<br>P |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 5.1 | 20,793,837 | [illegible] |
| Right of Use Asset | 5.1.1 | 13,082 | [illegible] |
| Intangible Assets | 5.2 | 414,793 | [illegible] |
| | | 21,291,712 | [illegible] |
| **Current Assets** | | | |
| Receivables and Prepayments | 4.1 | 2,333,910 | [illegible] |
| Cash and Cash Equivalents | 4.2 | 104,019,120 | [illegible] |
| **Total Current Assets** | | 106,353,037 | [illegible] |
| **TOTAL ASSETS** | | 127,644,309 | [illegible] |
| **RESERVES AND LIABILITIES** | | | |
| **RESERVES** | | | |
| Accumulated Losses | 5.1 | 11,902,122 | [illegible] |
| **Non-Current Liabilities** | | | |
| Capital Grants | 5.3 | 28,181,036 | [illegible] |
| Lease Liability | 5.3.1 | - | |
| Project Funds | 5.4 | 14,048,215 | [illegible] |
| | | 42,229,253 | [illegible] |
| **Current liabilities** | | | |
| Capital Grant | 5.3 | 3,096,784 | [illegible] |
| Lease Liability | 5.3.1 | 18,474 | [illegible] |
| Projects Funds | 5.4 | 48,250,037 | [illegible] |
| Deferred revenue | 5.6 | 13,299,003 | [illegible] |
| Trade and Other Payables | 4.2 | 4,102,171 | [illegible] |
| Employee Benefit Obligations | 5.5 | 13,679,086 | [illegible] |
| **Total Current Liabilities** | | 82,312,853 | [illegible] |
| **Total Liabilities** | | 124,742,247 | [illegible] |
| **TOTAL RESERVES AND LIABILITIES** | | 127,644,309 | [illegible] |

# Statement of Changes in Funds

**STATEMENT OF CHANGES IN FUNDS**
For the year ended 31 March 2024

| | Note | Accumulated funds P |
|---|---|---|
| **For the year ended 31 March 2023** | | |
| Balance at 1 April 2022 | | [illegible] |
| Deficit for the year | | [illegible] |
| **Balance at 31 March 2023** | | **[illegible]** |
| **For the year ended 31 March 2024** | | |
| Balance at 1 April 2023 | | [illegible] |
| Surplus for the year | | [illegible] |
| **Balance at 31 March 2024** | | **[illegible]** |

# Statement Of Cash Flows

**STATEMENT OF CASH FLOWS**
For the year ended 31 March 2024

| | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Surplus/(Deficit) for the year | | 15,240,559 | [illegible] |
| **Adjustment for non-cash items** | | | |
| Amortisation of deferred capital grants | 6.5 | (3,056,788) | [illegible] |
| Depreciation of property plant and equipment | 6.1 | 3,881,637 | [illegible] |
| Amortisation of intangible assets | 6.2 | 273,157 | [illegible] |
| Depreciation on Right of Use Assets | 6.11 | 193,417 | [illegible] |
| Effects of changes in VAT on lease liability | 6.11 | - | [illegible] |
| Gain from sale of assets | 7.1 | (286,078) | |
| Interest income | 7.1 | (6,147,441) | [illegible] |
| **Changes in working capital** | | | |
| Trade and other receivables | | (215,488) | [illegible] |
| Employee benefit obligations | | 2,905,850 | [illegible] |
| Trade and other payables | | (2,883,073) | [illegible] |
| Movement in work in progress | | - | [illegible] |
| Contract liability (deferred income) | | (1,898,558) | [illegible] |
| **Net cash generated from operating activities** | | 4,893,848 | [illegible] |
| **Cash flows from investing activities** | | | |
| Purchase of property plant and equipment | 6.1 | (3,501,735) | [illegible] |
| Purchase of intangible assets | 6.2 | (13,481) | |
| Interest received | 7.1 | 3,747,447 | [illegible] |
| PPE disposed | 7.1 | 286,078 | |
| **Net cash used in investing activities** | | [illegible] | [illegible] |
| **Cash flows from financing activities** | | | |
| Stakeholder capital grant | 6.5 | 3,794,252 | [illegible] |
| Stakeholder project funds | 6.6 | 24,749,318 | [illegible] |
| Amortisation of project funds - operating expenses | 6.6 | (1,828,083) | [illegible] |
| Capital grants for completed expenses | 6.6 | - | [illegible] |
| DOH transfer to HEB | 6.6 | - | [illegible] |
| Interest on lease liability | 6.11 | 6,748 | [illegible] |
| Payment of lease liability | 6.11 | (205,204) | [illegible] |
| **Net cash from financing activities** | | [illegible] | [illegible] |
| **Net increase in cash and cash equivalents** | | [illegible] | [illegible] |
| Cash and cash equivalents at beginning of year | | [illegible] | [illegible] |
| **Cash and cash equivalents at end of year** | 4.7 | [illegible] | [illegible] |

# Notes to the Financial Statements

**STATEMENT OF CASH FLOWS**
For the year ended 31 March 2024

**1 Income**

**1.1 Government Subvention**

| | 2024 P | 2023 P |
|---|---|---|
| Government subvention | 93,658,520 | [illegible] |
| Less: amount transferred to capital grants (Note 5.3) | (2,734,282) | [illegible] |
| Add: capital grants adjustment (Note 5.3) | 109,600 | 149,665 |
| Add: capital grants adjustment (Note 5.3) | 41,230 | |
| Less: amount transferred to BQA Projects (Note 5.4) | (38,782,259) | [illegible] |
| | 52,193,389 | [illegible] |

**1.2 Revenue from BQA Services**

| | 2024 P | 2023 P |
|---|---|---|
| Income recognised from deferred revenue (Note 5.5.4) | 19,345,782 | [illegible] |
| Annual Registration and Accreditation Fees | 445,500 | [illegible] |
| Capacity building fees | - | [illegible] |
| | 19,791,282 | [illegible] |

**2 Other income and expense items**

**2.1 Other income and miscellaneous items**

| | 2024 P | 2023 P |
|---|---|---|
| Interest received on short term investments | 3,747,481 | [illegible] |
| Miscellaneous income | 82,320 | [illegible] |
| Gain on sale of assets | 208,025 | |
| | 4,037,826 | [illegible] |

**2.2 Administrative expenses**

| | 2024 P | 2023 P |
|---|---|---|
| Amortisation of intangible assets (Note 5.2) | (215,151) | [illegible] |
| Advertising and promotion | (795,183) | [illegible] |
| Computer expenses | (3,365,140) | [illegible] |
| Depreciation of property, plant and equipment (Note 5.1) | (2,281,427) | [illegible] |
| Depreciation right of use | (105,817) | [illegible] |
| Maintenance and running costs | (1,213,649) | [illegible] |
| Photocopier running costs | (150,409) | [illegible] |
| Accreditation and Registration Expert Fees | (213,218) | [illegible] |
| Consultancy expenses | (2,500,559) | [illegible] |
| Staff costs (Note 2.2.1) | (61,097,702) | [illegible] |
| Travel and accommodation expenses | (361,173) | [illegible] |
| Workshops and conferences | (293,852) | [illegible] |
| Auditor's remuneration | (303,582) | [illegible] |
| Movement in expected credit loss | 1,125,402 | [illegible] |
| **Operating expenses** | (73,526,459) | [illegible] |
| | | |
| Board fees and expenses | (2,087,119) | [illegible] |
| Insurance | (835,607) | [illegible] |
| Printing and stationery | (139,426) | [illegible] |
| Legal expenses | (192,211) | [illegible] |
| Security | (323,829) | [illegible] |
| Water and electricity | (488,858) | [illegible] |
| Rates | (898) | [illegible] |
| Other expenses | (1,783,121) | [illegible] |
| **Other operating expenses** | (6,057,413) | [illegible] |
| **Total administrative expenses** | (79,583,872) | [illegible] |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2024

**2.3.1 Breakdown of Staff Costs**

| | 2024 P | 2023 P |
|---|---|---|
| Salaries and wages | [illegible] | [illegible] |
| Gratuity | [illegible] | [illegible] |
| Pension (Defined Contribution) | [illegible] | [illegible] |
| Medical expenses | [illegible] | [illegible] |
| Leave | [illegible] | [illegible] |
| Other staff costs | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| Number of Employees | 112 | 116 |

The staff cost reduction is attributed to the Board decision to freeze salary inflationary adjustment with accrued funds for performance rewards.

**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 2024** | | | |
| Trade and other receivables | 4.1 | 1,300,340 | 1,300,340 |
| Cash and cash equivalents | 4.2 | [illegible] | [illegible] |
| | | [illegible] | [illegible] |
| **At 31 March 2023** | | | |
| Trade and other receivables* | 4.1 | 1,203,455 | 1,203,455 |
| Cash and cash equivalents | 4.2 | [illegible] | [illegible] |
| | | [illegible] | [illegible] |

*excluding prepayments

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2024

## 8 Financial assets and financial liabilities (continued)

| Financial liabilities | Notes | Liabilities at amortised cost P |
|---|---|---|
| **At 31 March 2024** | | |
| Other payables | 4.2 | [illegible] |
| **At 31 March 2023** | | |
| Other payables | 4.3 | [illegible] |

The Authority's exposure to various risks associated with financial instruments is discussed in Note 5. 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 amount of all short-term financial assets and liabilities carried at amortised cost approximates to their fair value. [illegible]

## 8.1 Receivables and Prepayments

| | 2024 P | 2023 P |
|---|---|---|
| Trade receivables | 3,443,400 | [illegible] |
| Less: Provision for impairment (Note 8.1.1) | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| Interest receivable from money market and fixed deposit | [illegible] | [illegible] |
| Prepayments | [illegible] | [illegible] |
| Other receivables | [illegible] | [illegible] |
| | [illegible] | [illegible] |

## 8.1.1 Provision for impairment on receivables

| | 2024 P | 2023 P |
|---|---|---|
| Balance at the beginning of the year | [illegible] | [illegible] |
| Movement in expected credit losses | [illegible] | [illegible] |
| **Balance at end of the year** | [illegible] | [illegible] |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 March 2024**

## 4.1 Cash and cash equivalents

| | 2024 P | 2023 P |
|---|---|---|
| Bank balances | 104,073,138 | [illegible] |
| Cash on hand | [illegible] | [illegible] |
| | [illegible] | [illegible] |

(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:

| | 2024 P | 2023 P |
|---|---|---|
| Stanbic Bank Botswana Limited | [illegible] | [illegible] |
| Stanbic Bank Botswana Limited Fixed Deposit | [illegible] | [illegible] |
| First National Bank of Botswana | [illegible] | [illegible] |
| [illegible] Botswana Limited | [illegible] | [illegible] |
| Cash on hand | [illegible] | [illegible] |
| | [illegible] | [illegible] |

(ii) Classification as cash equivalents
[illegible]

See Note [illegible] for the Authority's other accounting policies on cash and cash equivalents.

## 4.2 Trade and other payables

| | 2024 P | 2023 P |
|---|---|---|
| **Current liabilities** | | |
| Audit fees accrual | [illegible] | [illegible] |
| Accruals | [illegible] | [illegible] |
| Suppliers payments | [illegible] | [illegible] |
| | [illegible] | [illegible] |

[illegible]

## Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 March 2024**

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 2022 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Additions | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | | [illegible] |
| WIP additions | | | | | | | | [illegible] | [illegible] |
| Transfer | | [illegible] | | | | | | [illegible] | |
| Disposal | | | [illegible] | | | [illegible] | | | [illegible] |
| **Balance at 31 March 2023** | **25,071,080** | **1,825,569** | **4,106,220** | **7,808,179** | **1,763,027** | **6,882,619** | **395,716** | **38,168** | **58,083,485** |
| Additions | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | | **2,931,725** |
| Transfer | | | | | | | | [illegible] | **(38,396)** |
| Disposal | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | | **(1,406,271)** |
| **Balance at 31 March 2024** | **25,845,461** | **3,461,030** | **5,257,449** | **8,035,684** | **1,667,146** | **6,183,006** | **395,716** | **-** | **57,492,784** |
| **Accumulated depreciation** | | | | | | | | | |
| Balance at 1 April 2022 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] |
| Charge for the year | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] |
| Disposal | | | [illegible] | | | [illegible] | | | [illegible] |
| **Balance at 31 March 2023** | **5,101,580** | **1,886,679** | **3,464,835** | **4,213,376** | **1,365,797** | **5,329,534** | **391,852** | **-** | **35,222,784** |
| Charge for the year | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] |
| Disposal | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | | [illegible] |
| **Balance at 31 March 2024** | **5,497,767** | **3,271,454** | **2,951,130** | **4,741,549** | **1,236,661** | **5,040,025** | **391,179** | **-** | **25,729,742** |
| **Carrying amount** | | | | | | | | | |
| At 31 March 2023 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| **At 31 March 2024** | **18,347,694** | **1,240,099** | **2,946,319** | **3,298,135** | **430,479** | **1,145,275** | **4,537** | **-** | **31,763,037** |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 March 2024**

### 5.1.1 Right of Use Asset – Leased Photocopiers

| | R |
|---|---|
| **Cost** | |
| Balance at 1 April [illegible] | [illegible] |
| Additions | |
| Balance at 31 March [illegible] | [illegible] |
| Balance at 1 April [illegible] | [illegible] |
| Additions | |
| **Balance at 31 March 2024** | **[illegible]** |
| **Accumulated Depreciation** | |
| Balance at 1 April [illegible] | [illegible] |
| Charge for the year | [illegible] |
| Effects of changes in [illegible] | [illegible] |
| Balance at 31 March [illegible] | [illegible] |
| Balance at 1 April [illegible] | [illegible] |
| Charge for the year | [illegible] |
| Effects of changes in [illegible] | |
| **Balance at 31 March 2024** | **[illegible]** |
| **Carrying amount** | |
| At March [illegible] | [illegible] |
| **At March 2024** | **[illegible]** |

The Authority has leased [illegible] photocopier machines for a period of [illegible] years effective [illegible]. Depreciation is calculated using straight line method over the lease period.

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 March [illegible]

**[illegible] 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 | [illegible] years |
| Plant and machinery | [illegible] years |
| Motor vehicles | [illegible] years |
| Furniture and fittings | 10 years |
| Office equipment | [illegible] years |
| Computer equipment | [illegible] years |
| Library books | [illegible] years |

See Note [illegible] for other accounting policies relevant to property, plant and equipment.

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 March 2024**

**3.2 Intangible assets**

| | R |
|---|---|
| **Cost** | |
| Balance at 1 April 2022 | [illegible] |
| Additions | |
| Balance at 31 March 2023 | [illegible] |
| Balance at 1 April 2023 | [illegible] |
| Additions | [illegible] |
| Transfer from WIP | [illegible] |
| **Balance at 31 March 2024** | **[illegible]** |
| **Accumulated amortisation** | |
| Balance at 1 April 2022 | [illegible] |
| Amortisation charge | [illegible] |
| Balance at 31 March 2023 | [illegible] |
| Balance at 1 April 2023 | [illegible] |
| Amortisation charge | [illegible] |
| **Balance at 31 March 2024** | **[illegible]** |
| **Carrying amount** | |
| At 31 March 2023 | [illegible] |
| **At 31 March 2024** | **[illegible]** |

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 | [illegible] years |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 March 2024

## 3.3 Capital grants

| | 2024 P | 2023 P |
|---|---|---|
| **Balance at 1 April** | 31,469,260 | [illegible] |
| Purchase of assets from Government subvention | 2,734,382 | [illegible] |
| Purchase of assets from deferred project funds | 398,780 | [illegible] |
| ROU transfer to [illegible] | - | [illegible] |
| Property, plant and equipment disposed | (120,098) | [illegible] |
| PPE amortisation during the year | (2,881,427) | [illegible] |
| Intangible assets amortisation during the year | (219,7[illegible]) | [illegible] |
| **Balance at 31 March** | [illegible] | [illegible] |

| | 2024 P | 2023 P |
|---|---|---|
| The non-current and current split of capital grants are: | | |
| To be amortised within one year | [illegible] | [illegible] |
| To be amortised thereafter | [illegible] | [illegible] |
| | [illegible] | [illegible] |

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 P[illegible].

## 3.3.1 Lease liabilities

| | 2024 P | 2023 P |
|---|---|---|
| Balance at 1 April | 226,918 | [illegible] |
| Lease payment | (229,204) | [illegible] |
| Lease liability interest | 6,780 | [illegible] |
| Balance at 31 March | 18,494 | 226,918 |

| | 2024 P | 2023 P |
|---|---|---|
| The current and non-current split of lease liability is: | | |
| To be amortised within one year | 18,494 | [illegible] |
| To be amortised thereafter | - | [illegible] |
| | 18,494 | 226,918 |

The Authority has a three year photocopier lease contract with [illegible] which commenced on [illegible] April 2021. The lease contract will expire on 14 April 2024.

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 March 2024**

5.4 Project funds

| | 2024 P | 2023 P |
|---|---|---|
| **Balance at 1 April** | 40,435,911 | [illegible] |
| Amortisation of project funds - operating expenses | (1,835,080) | [illegible] |
| BQA transfer to HRDC | - | [illegible] |
| Capital grants for computer expenses | - | [illegible] |
| BQA transfer to capital grants | (248,760) | [illegible] |
| BQA transfer from MoF to capital grants | - | [illegible] |
| BQA deferred capital projects | 24,749,298 | [illegible] |
| **Balance at 31 March** | [illegible] | [illegible] |

**Closing balance relates to deferred grants received in respect to:**

| | 2024 P | 2023 P |
|---|---|---|
| Office building maintenance | 9,927,037 | [illegible] |
| Implementation of General Education System | 2,233,264 | [illegible] |
| Accreditation of Learning programme project | 1,079,112 | [illegible] |
| Legacy Learning programmes audit | 4,934,028 | [illegible] |
| Information Technology Systems | 1,378,808 | [illegible] |
| Enterprise Resource Planning System (ERP) | 14,948,378 | [illegible] |
| Organisational Review | 37,834,984 | [illegible] |
| Business Process Enhancement | 52,036 | [illegible] |
| National Standards | 1,482,862 | [illegible] |
| BQA Act and Regulations Review | 382,873 | [illegible] |
| Talent Management and Succession Strategy | 165,000 | |
| **Balance at 31 March** | [illegible] | [illegible] |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**

**General Education System Project**

[illegible]

**Office Building Maintenance**

[illegible]

**Learning Programme Project**

[illegible]

**Organisational Structure Review Project**

[illegible]

**Enterprise Resource Planning System**

[illegible]

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 March 2024

| 3.5 | Employee benefit obligations | Severance pay P | Leave pay P | Gratuity P | Total P |
|---|---|---|---|---|---|
| | **Balance at beginning of the year** | [illegible] | [illegible] | [illegible] | **11,033,073** |
| | Charged to the year | [illegible] | [illegible] | [illegible] | **10,991,203** |
| | Payments during the year | [illegible] | [illegible] | [illegible] | **(2,029,216)** |
| | Reversals | | | [illegible] | **(606,333)** |
| | **Balance at end of the year** | [illegible] | [illegible] | [illegible] | [illegible] |

**Gratuity**

[illegible]

**Leave pay**

[illegible]

[illegible]

| 3.6 | Deferred revenue from contracts with customers | 2024 P | 2023 P |
|---|---|---|---|
| | Balance at 1 April | **15,266,416** | [illegible] |
| | Received during the year | **16,575,366** | [illegible] |
| | Recognised during the year | **(15,246,781)** | [illegible] |
| | Balance at 31 March | [illegible] | [illegible] |

[illegible]

| 3.6.1 | Disaggregation of deferred revenue from contracts with customers - Type of service | 2024 P | 2023 P |
|---|---|---|---|
| | Registration and Accreditation of Education and Training Providers (ETPs) | [illegible] | [illegible] |
| | Registration and Accreditation of Awarding Bodies | [illegible] | [illegible] |
| | Accreditation of Learning Programmes | [illegible] | [illegible] |
| | Approval of Short Courses | [illegible] | [illegible] |
| | Evaluation of Qualifications | [illegible] | [illegible] |
| | Registration and Accreditation of Assessors and Moderators | [illegible] | [illegible] |
| | [illegible] | | [illegible] |
| | Capacity building fees | [illegible] | |
| | [illegible] | [illegible] | [illegible] |
| | [illegible] | [illegible] | |
| | Registration of Qualifications | [illegible] | |
| | **Balance at 31 March - Aggregate amount of transaction price allocated to unsatisfied obligations** | **15,595,000** | [illegible] |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2024

**5.6.2 Disaggregation of deferred revenue from contracts with customers - Type of customer**

| | 2024 P | 2023 P |
|---|---|---|
| Awarding Bodies | [illegible] | [illegible] |
| Education Training Providers | [illegible] | [illegible] |
| Individuals | [illegible] | [illegible] |
| Consultancies | [illegible] | |
| **Balance at 31 March - Aggregate amount of transaction price allocated to unsatisfied obligations** | **[illegible]** | **[illegible]** |

**5.6.3 Disaggregation of deferred revenue: Expected time of discharging the unsatisfied performance obligation**

| | 2024 P | 2023 P |
|---|---|---|
| 2023-2024 | | [illegible] |
| 2024-2025 | [illegible] | |
| 2025-2026 | [illegible] | |
| **Balance at 31 March - Aggregate amount of transaction price allocated to unsatisfied obligations** | **[illegible]** | **[illegible]** |

As at 31 March 2024, the Authority had P[illegible] allocated to unsatisfied performance obligations. The Authority expects to satisfy [illegible] of the obligations [illegible] during the financial year 2024/25 and [illegible] in the financial year 2025/26. The transaction prices are as defined in the BQA fees regulations [illegible].

**5.6.4 Disaggregation of revenue recognised during the year from contract liability - Type of service**

| | 2024 P | 2023 P |
|---|---|---|
| Registration and Accreditation of Education and Training Providers (ETPs) | [illegible] | [illegible] |
| Registration and Accreditation of Awarding Bodies | [illegible] | |
| Accreditation of Learning Programmes | [illegible] | [illegible] |
| Approval of Short Courses | [illegible] | [illegible] |
| Evaluation of Qualifications | [illegible] | [illegible] |
| Registration and Accreditation of Assessors and Moderators | [illegible] | [illegible] |
| Capacity building fees | | [illegible] |
| Awards | | [illegible] |
| Institutional Audits | [illegible] | |
| Registration of Consultancies | [illegible] | |
| **Balance at 31 March** | **[illegible]** | **[illegible]** |

**5.6.5 Disaggregation of revenue recognised during the year from contract liability - Type of customer**

| | 2024 P | 2023 P |
|---|---|---|
| Awarding Bodies | [illegible] | [illegible] |
| Education Training Providers | [illegible] | [illegible] |
| Individuals | [illegible] | [illegible] |
| Consultancies | [illegible] | |
| **Balance at 31 March** | **[illegible]** | **[illegible]** |

**5.6.6 Disaggregation of revenue recognised during the year from contract liability - Date when funds was received**

| | 2024 P | 2023 P |
|---|---|---|
| 2018/2019 | [illegible] | [illegible] |
| 2019/2020 | [illegible] | [illegible] |
| 2020/2021 | [illegible] | [illegible] |
| 2021/2022 | [illegible] | [illegible] |
| 2022/2023 | [illegible] | [illegible] |
| 2023/2024 | [illegible] | |
| **Balance at 31 March** | **[illegible]** | **[illegible]** |

**6. Reserves**

**6.1 Accumulated Funds**

| | 2024 P | 2023 P |
|---|---|---|
| Balance 1 April | 838,118 (?) | [illegible] |
| Surplus for the year | [illegible] | [illegible] |
| Balance at 31 March | [illegible] | [illegible] |

The Authority's Statement of Financial Position under capital and reserves consists of accumulated funds from prior years. The objective is to manage capital and safeguard the ability to continue as a going concern in order to implement its core mandate.

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2024

**7 Critical accounting estimates and judgements**

[illegible]

[illegible]

**7.1 Significant estimates and judgements**

[illegible]

**7.1.1 Measurement of the expected credit loss allowance - Note 4.1**

[illegible]

- [illegible]
- [illegible]

**7.1.2 Residual value and useful lives of property, plant and equipment**

[illegible]

**7.1.3 Useful lives of intangible assets**

[illegible]

**7.1.4 Treatment of grants received from Government (Note 1)**

[illegible]

**7.1.5 Treatment of leases (Note 3.2.1)**

[illegible]

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2024

## 3 Financial risk management

[illegible]

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market risk - interest rate | [illegible] | Sensitivity analysis | [illegible] |
| Credit risk | [illegible] | Aging analysis<br>Credit ratings | [illegible] |
| Liquidity risk | [illegible] | Cash flow forecasts | [illegible] |

[illegible]

### 3.1 Market risk

**(i) Cash flow and fair value interest rate risk**

[illegible]

**(ii) Foreign exchange risk**

The Authority did not have any foreign exchange risk exposure during the financial year 2023/24.

**(iii) Price risk**

The Authority did not have any price risk exposure during the financial year 2023/24.

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2024

**(b) Cash equivalent**

| | 2024 P | 2023 P |
|---|---|---|
| Stanbic Bank Botswana Limited | [illegible] | [illegible] |
| Stanbic Bank Botswana Limited / Call Deposit | [illegible] | [illegible] |
| First National Bank of Botswana | [illegible] | [illegible] |
| [illegible] Botswana Limited | [illegible] | [illegible] |
| | [illegible] | [illegible] |

The Authority only deposit cash with financial institutions regulated by the Bank of Botswana and the Non-Bank Financial Institutions Regulatory Authority (NBFIRA). The Authority have deposits with Stanbic Bank Botswana, First National Bank of Botswana Limited and [illegible] Botswana Limited. The banks are listed companies and have reported sound financial results and continued compliance with minimum capital adequacy requirements by the Bank of Botswana and the Non-Bank Financial Institutions Regulatory Authority (NBFIRA). Fully performing financial assets have not 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 [illegible] for short term credits [illegible] commitments.

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. [illegible]

[illegible] operations in [illegible]

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
[illegible]

## 8.1 Credit Risk

[illegible]

[illegible]

[illegible]

[illegible]

| Trade Receivables: Expected Credit loss Default Ratios % | | | | | |
|---|---|---|---|---|---|
| Date | Current | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Trade Receivables: Gross Carrying Amounts (Pula) | | | | | | |
|---|---|---|---|---|---|---|
| Date | Current | [illegible] | [illegible] | [illegible] | [illegible] | Total |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Trade Receivables: Expected Credit Losses (Pula) | | | | | | |
|---|---|---|---|---|---|---|
| Date | Current | [illegible] | [illegible] | [illegible] | [illegible] | Total |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 March 2024**

## 5.3 Liquidity risk

[illegible]

**Maturities of current assets and current liabilities**

**31 March 2024**

| | 0-6 month P'000 | 6 - 12 months P'000 | More than 12 months P'000 | Total P'000 |
|---|---|---|---|---|
| **Current Assets** | | | | |
| Cash and cash equivalents | [illegible] | | | [illegible] |
| **Total** | [illegible] | - | - | [illegible] |
| **Current Liabilities** | | | | |
| Deferred capital grants and funds | [illegible] | | | [illegible] |
| Deferred revenue | [illegible] | | | [illegible] |
| Trade and other payables | [illegible] | | | [illegible] |
| Employee benefit obligations | [illegible] | [illegible] | [illegible] | [illegible] |
| Lease liability | [illegible] | | | [illegible] |
| **Total** | [illegible] | [illegible] | [illegible] | [illegible] |
| **Net liquidity gap** | [illegible] | [illegible] | [illegible] | [illegible] |
| **Cumulative liquidity gap** | [illegible] | [illegible] | [illegible] | - |

**As of 31 March 2023**

| | 0-6 month P'000 | 6 - 12 months P'000 | More than 12 months P'000 | Total P'000 |
|---|---|---|---|---|
| **Current Assets** | | | | |
| Cash and cash equivalents | [illegible] | | | [illegible] |
| **Total** | [illegible] | - | - | [illegible] |
| **Current Liabilities** | | | | |
| Deferred capital grants and funds | [illegible] | | | [illegible] |
| Deferred revenue | [illegible] | | | [illegible] |
| Trade and other payables | [illegible] | | | [illegible] |
| Employee benefit obligations | [illegible] | | | [illegible] |
| Lease liability | [illegible] | [illegible] | [illegible] | [illegible] |
| **Total** | [illegible] | [illegible] | [illegible] | [illegible] |
| **Net liquidity gap** | [illegible] | [illegible] | [illegible] | [illegible] |
| **Cumulative liquidity gap** | [illegible] | [illegible] | [illegible] | - |

## 5.4 Capital risk management

[illegible]

[illegible]

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 March 2024

## 9 Contingent liabilities

The Authority does not have any contingent liabilities for the financial year 2023-24.

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

The Authority has guaranteed staff home loans from Botswana Building Society; the liability of the Authority is the portion of the loan which is above 80% of the Society's market valuation of the property at any given time.

| Contingent liabilities | 2024<br>P | 2023<br>P |
|---|---|---|
| Legal fees | | 223,100 |
| | | [illegible] |

## 10. Capital commitments

The Authority's capital commitments as of 31 March 2024 are as follows:

| | 2024<br>P | 2023<br>P |
|---|---|---|
| Information Technology Systems | 233,204 | |
| Information Technology Hardware | 1,576,700 | |
| | [illegible] | |

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2024

## 11 Related party transactions and balances

The Authority is a State Owned Entity therefore transactions with the Government of Botswana are treated as related party transactions. The Government of Botswana provides significant income to the Authority through subventions. The Authority is a parastatal under the Ministry of Education and Skills Development.

### 11.1 Subvention from Botswana Government (Ministry of Education and Skills Development)

| | 2024<br>P | 2023<br>P |
|---|---|---|
| Subvention received from the Government (Note 1) | 88,030,500 | [illegible] |

### 11.2 Transactions with Board and Committee Members

Transactions consist of short term benefits paid to Board and Committee Members as sitting fees and sitting allowances during the financial year.

| | 2024<br>P | 2023<br>P |
|---|---|---|
| Board sitting allowances | 728,860 | [illegible] |
| Committee sitting allowances | 483,800 | [illegible] |
| Board Fees and Committee Members | [illegible] | [illegible] |

### 11.3 Key Management Personnel Compensation

Key management personnel refers to the Chief Executive Officer, Deputy Chief Executive Officer and Directors. It consists of short term and post-employment benefits.

| | 2024<br>P | 2023<br>P |
|---|---|---|
| **Short-term benefits** | | |
| Salaries and Allowances | 4,179,888 | [illegible] |
| Gratuity pay | 274,335 | [illegible] |
| Leave pay | 49,023 | [illegible] |
| **Total** | 4,504,140 | [illegible] |
| | | |
| **Post-Employment benefits** | | |
| Leave | 273,403 | [illegible] |
| Gratuity | 1,689,123 | [illegible] |
| **Total** | 1,962,554 | [illegible] |
| | | |
| **Total Key Management Personnel Compensation** | 6,[illegible] | [illegible] |
| | | |
| Advance on against gratuity | 847,202 | [illegible] |

Like any other employee of the Authority, key management personnel become eligible for an advance against gratuity when they have served a minimum of two (2) years on their current employment contract. The advance against gratuity is recovered from the gratuity payable at the end of their contract.

# Notes to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 March 2024

## [illegible]. Going Concern Assessment

The Authority's ability to continue as a going concern is dependent on the Government of Botswana's support. As guided by continued engagement, the 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.

The Government of Botswana through Ministry of Education and Skills Development in its letter dated [illegible] April 2024 reference [illegible] confirmed the approval of [illegible] as Subvention for [illegible]. Furthermore, the approved budget for [illegible] indicates a budget surplus of [illegible] [illegible].

The 2023-24 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.

## [illegible]. Events After The Reporting Date

There were no material events that occurred after the end of the reporting period that required adjustment or disclosure in the 2023-24 annual financial statements.

# Notes to the Financial Statements

## 14. Summary of significant accounting policies

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

### 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 judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

**New Accounting Standards and Interpretation**

**Standards and Interpretations adopted during the year**

**Amendments to IAS 8 - Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendment has no material impact on the Authority.

### Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements.

# Notes to the Financial Statements

**Standards and interpretations adopted during the year – continued**

**Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies**

The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures when preparing the general purpose financial statements in accordance with IFRS Standards.

The need for materiality judgements is pervasive in the preparation of financial statements. IFRS Standards require entities to make materiality judgements in decisions about recognition, measurement, presentation and disclosure. The amendment has no material impact on the Authority.

**Standards and interpretation issued but not yet effective**

**Lease Liability in a Sale and Leaseback – Amendments to IFRS 16**

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

**Transition**

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted, and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application).

# Notes to the Financial Statements

**Standards and interpretation issued but not yet effective - Continued**

**Lease Liability in a Sale and Leaseback – Amendments to IFRS 16-continued**

The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. Effective for annual periods beginning on or after 1 January 2024.

The Authority will adopt the amendments on 1 April 2024.

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

## Classification of Liabilities as Current or Non-current - Amendments to IAS 1

The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, their effective date was initially delayed to 1 January 2023. This is further delayed until 1 January 2024. The amendments result from a request received by the IASB to clarify the criteria for the classification of a liability as either current or non-current. In particular, the IASB was asked to clarify how having an unconditional right to defer settlement (specified in IAS 1.69(d)) reconciled with having the discretion to refinance or roll over an obligation (specified in IAS 1.73). This is because having an unconditional right to defer settlement was seen as a much higher hurdle than having the discretion to defer settlement.

The IASB decided to address this conflict by proposing amendments to IAS 1 in Exposure Draft ED/2015/1 Classification of Liabilities. The IASB decided to finalise these proposals with additional clarifications but no fundamental changes.

The Authority will adopt the amendments on 1 April 2024.

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

## 14.3 Foreign currency translation

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

### a) 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 presentation currency.

# Notes to the Financial Statements

### b) Transactions and balances

Foreign currency transactions are translated into 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 the 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 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 auditing in order to provide qualifications framework services. The Authority receives fees in advance for the provision of registration, accreditation and audit services. All contracts are fixed price and short term. The Authority sends a written response at a specific point in time when an application has gone through decision making. Consequently, revenue is recognised at a specific point when the application has been fully processed.

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.

# Notes to the Financial Statements

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

## 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 the 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.

# Notes to the Financial Statements

**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 Impairment of non-financial assets

### 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 is 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.

# Notes to the Financial Statements

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 the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash in 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.

# Notes to the Financial Statements

### 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 for expected credit losses is updated at each reporting date to reflect changes in credit risk since the 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 a simplified ECL model based on the provision matrix. The ECL model considers 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.

# Notes to the Financial Statements

### 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 6.1. 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 6.1.

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 amounts. These are included in profit or loss.

# Notes to the Financial Statements

## 14.7 Intangible assets

### Computer Software

Intangible assets comprise computer software. Costs associated with maintaining computer software programmes are recognised as an expense incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Authority are recognised 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 costs and an appropriate portion of relevant overheads. Computer software costs recognised as assets are amortised over their useful lives on a straight-line basis.

Other development expenditures that do not meet these criteria are recognised as an expense incurred. Development costs previously recognised as an expense are not recognised 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 the 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.

# Notes to the Financial Statements

## 14.9 Projects 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 the Projects Fund. Expenditure incurred on the capital projects is capitalised and an equivalent amount is transferred to capital grants. Expenditure incurred on non-capital projects is charged to the statement of comprehensive income. All other capital and non-capital expenditure are financed through the annual subvention from the Government.

An amount equivalent 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 the time value of money.

## 14.11 Employee benefits

The Authority provides gratuity and severance benefits to employees on fixed term contracts in line with the employment act chapter 47:01 and the relevant employment contracts. Provision for terminal payments has 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 pension fund has been outsourced to Alexander Forbes.

The Authority recognises employees' right to annual leave accrued as of 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 are 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.

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 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 that the termination option is 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 the 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).

# Notes to the Financial Statements

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 is discounted at the same discount rate that applied at the 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 amortised over the remaining (revised) lease term.

# Notes to the Financial Statements

**DETAILED INCOME STATEMENT**
**For the year ended 31 March 2024**

| | 2024<br>P | 2023<br>P |
|---|---|---|
| **Income** | | |
| Government subvention | [illegible] | [illegible] |
| Quality assurance fees | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| Amortisation of deferred capital grants | [illegible] | [illegible] |
| Amortisation of deferred project funds | [illegible] | [illegible] |
| **Other income** | | |
| Miscellaneous | [illegible] | [illegible] |
| Profit on sale of assets | [illegible] | |
| | [illegible] | [illegible] |
| **Finance income** | [illegible] | [illegible] |
| **Total income** | [illegible] | [illegible] |
| **Total Expenditure** | [illegible] | [illegible] |
| **Operating Surplus / (Deficit) for the year** | [illegible] | [illegible] |
| **Expenditure** | | |
| Accreditation and Registration Expenditure | [illegible] | [illegible] |
| Advertising and promotion | [illegible] | [illegible] |
| Amortisation charge | [illegible] | [illegible] |
| Archiving | [illegible] | [illegible] |
| Audit fees | [illegible] | [illegible] |
| Bank charges | [illegible] | [illegible] |
| Board fees and expenses | [illegible] | [illegible] |
| Casual labour | [illegible] | [illegible] |
| Computer expenses | [illegible] | [illegible] |
| Depreciation of property, plant and equipment | [illegible] | [illegible] |
| Depreciation right of use | [illegible] | [illegible] |
| Entertainment expenses | [illegible] | [illegible] |
| Gardening services | [illegible] | [illegible] |
| Fines | [illegible] | [illegible] |
| Movement in allowance for credit losses | [illegible] | [illegible] |
| Insurance | [illegible] | [illegible] |
| Legal fees | [illegible] | [illegible] |
| Finance charges | [illegible] | [illegible] |
| Maintenance and running costs | [illegible] | [illegible] |
| Lease liability interest fair value adjustment | [illegible] | [illegible] |
| Motor vehicle expenses | [illegible] | [illegible] |
| Office cleaning | [illegible] | [illegible] |
| Postage and courier | [illegible] | [illegible] |
| Printing and stationery | [illegible] | [illegible] |
| Protective clothing | [illegible] | [illegible] |
| Consultancy expenses | [illegible] | [illegible] |
| Security | [illegible] | [illegible] |
| Staff costs | [illegible] | [illegible] |
| Subscriptions | [illegible] | [illegible] |
| Telephone and fax | [illegible] | [illegible] |
| Travel and accommodation | [illegible] | [illegible] |
| Water and electricity | [illegible] | [illegible] |
| Workshops and conferences | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| **Operating Surplus / (Deficit) for the year** | [illegible] | [illegible] |

The detailed income statement does not form part of the financial statements covered by the audit opinion on pages [illegible]

Notes

BOTSWANA
Qualifications Authority

Building a seamless Education and Training System


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