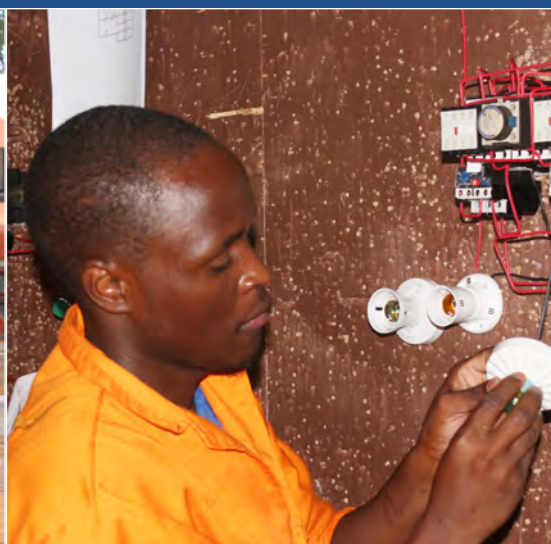




TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY

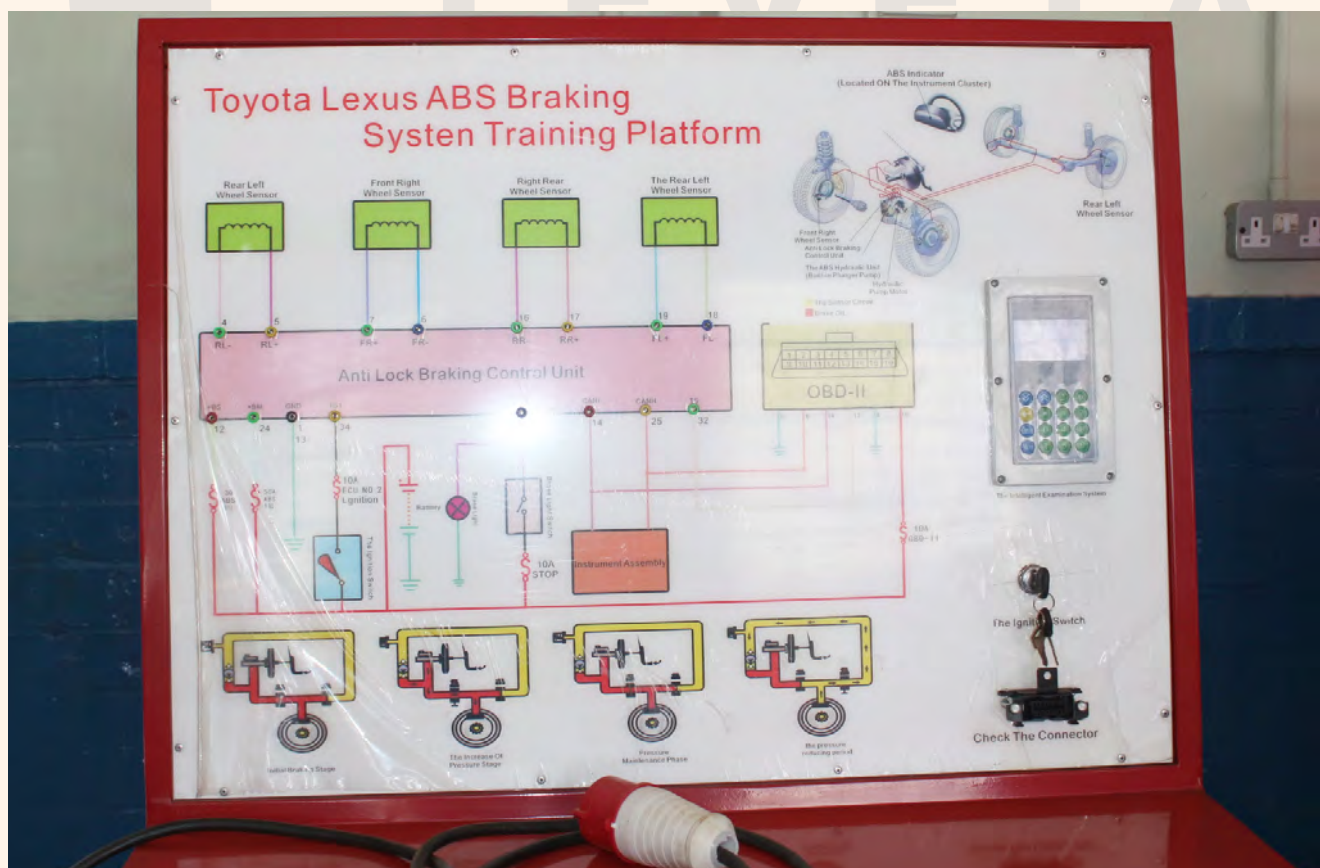


ANNUAL REPORT 2016



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1 Vision, Mission Statement and Values

VISION

A World-class Technical Education, Vocational and Entrepreneurship Training (TEVET) system that drives skills empowerment for sustainable development.

MISSION

To ensure supply of internationally competitive skilled persons through:

- Regulation;
- Coordination;
- Monitoring and;
- Evaluation.

of Technical Education, Vocational and Entrepreneurship Training (TEVET) service delivery.

VALUES

TEVETA upholds the following core values:

High ethical leadership and integrity

Innovation and excellence

Accountability and transparency

Team Work and mutual respect

2 Registered Office

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)

Plot No. 4751
Birdcage Walk, Longacres
Private Bag RW16X
Lusaka
ZAMBIA

Bankers:

1. Citibank Zambia Limited

Citibank House
Cha Cha Cha Road
Lusaka
Zambia

2. Stanbic Bank Zambia Limited

Woodgate House
Cairo Road
Lusaka
Zambia

3. Zambia National Commercial Bank Limited

Civic Centre Branch Independence
Avenue
Lusaka
Zambia

Auditors

Newton Lungu & Associates

TEVETA
Technical Education, Vocational and
Entrepreneurship Training Authority

3 Committees of the Board

Finance and Administration Committee

| | | |
|----------------------------|---|---|
| Dr. Alfred J. Sumani | - | National Science and Technical Council |
| Chairperson | | |
| Ms. Joyce Muwo Mwansa | - | Institute of Directors |
| Mr. Peterson Mumbuluma | - | Zambia Institute of Chartered Accountants |
| Mr. Barnaby Bwalya Mulenga | - | Permanent Secretary Ministry of Labour and Social Security |
| Mrs. Annie C.Chimota | - | Bankers Association of Zambia |
| Mr. Owen Mgemezulu | - | Permanent Secretary Ministry of Higher Education |
| Elaston Njovu | - | Zambia Congress of Trade Unions |
| Mr. Phillip Mubanga | - | Technical Educational, Vocation and Entrepreneurship Training Authority |
| Secretary | | |

Technical Committee

| | | |
|-----------------------------|---|---|
| Mrs. Peggy Mlewa | - | Ministry of Labour and Social Security |
| Chairperson | | |
| Dr. Roy Chileshe | - | Copperbelt University |
| Mr. Francis Mulimbika | - | Chamber of Mines of Zambia |
| Mr. Alex M.K. Simumba | - | Ministry of Higher Education |
| Mrs. Cecilia Sakala | - | Ministry of General Education |
| Mr. Daniel Bowasi | - | Zambia Association of Chambers of Commerce and Industry |
| Dr. Liane M. Imakando | - | Minister's Nominee |
| Ms. Thelma Kilale | - | Zambia Chamber of Small and Medium Business Association |
| Dr. Alfred J. Sumani | - | National Science and Technical Council |
| Mr. Orphan A. Hachinene | - | Technical Education, Vocational and Entrepreneurship Training Authority |
| Secretary (1) | | |
| Mr. Cleophas Takaiza | - | Technical Education, Vocational and Entrepreneurship Training Authority |
| Secretary (2) | | |
| Mrs. Catherine M. Kanyensha | - | Technical Education, Vocational and Entrepreneurship Training Authority |
| Secretary (3) | | |

Audit Committee

| | | |
|---------------------------|---|---|
| Mr. Harrison Chibanda | - | Zambia Federation of Employers |
| Chairperson | | |
| Br. Dr. Charles S. Kabeta | - | Catholic Secretariat |
| Mr. Alex M. K. Simba | - | Ministry of Higher Education |
| Mr. Pritchard Haboongo | - | Examinations Council of Zambia |
| Mr. Jones J. Kalyongwe | - | Zambia Institution of Purchasing & Supply |
| Mr. Clive Nyemba | - | Technical Education, Vocational and Entrepreneurship Training Authority |
| Secretary | | |

Registration & Accreditation Sub-Committee

| | | |
|-----------------------|---|---|
| Dr. Liane M. Imakando | - | Minister's Nominee |
| Chairperson | | |
| Mr. Dominic Nyambe | - | Ministry of General Education |
| Mr. Davis Chinkusu | - | Zambia Institute of Human Resources |
| Mrs. Lungowe Mubita | - | Professional Secretaries Association of Zambia |
| Mr. Emmanuel Lutelo | - | Ministry of Higher Education |
| Mr. Jimmy Chapula | - | Ministry of Community Development, Mother & Child Health |
| Mr. Cleophas Takaiza | - | Technical Education, Vocational and Entrepreneurship Training Authority |
| Secretary | | |

Assessments & Qualifications Sub-Committee

| | | |
|-----------------------------|---|---|
| Dr. Henry M. Mwenda | - | University of Zambia |
| Chairperson | | |
| Ms. Precious Lisulo | - | Ministry of Higher Education |
| Dr. James Phiri | - | University of Zambia |
| Mrs. Sherlyn Musonda Hanene | - | Zambia Institute of Chartered Accountants |
| Mr. Mapesa Musongole | - | Zambia Institute of Marketing |
| Dr. Michael Chilala | - | Examinations Council of Zambia |
| Mrs. Catherine M. Kanyensha | - | Technical Education, vocational and Entrepreneurship Training Authority |
| Secretary (1) | | |

Occupational Standards, Curriculum & Training Systems Development Sub-Committee

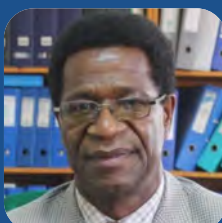
| | | |
|---------------------|---|--|
| Ms. Thelma Kilale | - | Zambia Chamber Small and Medium Business Association |
| Chairperson | | |
| Dr. Roy Chileshe | - | National Council for Construction |
| Ms. Precious Lisulo | - | Ministry of Higher Education |
| Mr. Hassan Banda | - | Ministry of Labour & Social Security |
| Ms. Banji Ng'andu | - | Ministry of Commerce, Trade & Industry |
| Mr. Newton Zulu | - | Engineering Institute of Zambia |
| Mrs. Cecilia Sakala | - | Ministry of General Education |

4 Board Members



DR. FRANCIS M. NDILILA
Ndilila Associates

Chairperson



DR. HENRY MWENDA
University of Zambia

Vice Chairperson



BR. DR. CHARLES S. KABETA
Catholic Secretariat

Member



MRS PEGGY MLEWA
Permanent Secretary
Ministry of Labour & Social Security

Member



DR. LIANE MOSHO IMAKANDO
Minister's Nominee

Member



MR. HARRINGTON CHIBBANDA
Zambia Federation of
Employers

Member



MR. ELASTON NJOVU
Zambia's Congress of Trade
Unions (ZCTU)

Member



MS. THELMA KILALE
Zambia Chamber of Small and Medium
Business Associations
(ZCSMBA)

Member



DR. ALFRED SUMANI
National Science & Technology
Council

Member



MR. DAVID C. CHAKONTA
Director General
TEVETA

Secretary

5 TEVETA Senior Management



Mr. David C. Chakonta

Director General



Mr. Cleophas Takaiza

Director
Training Standards Division



Mr. Phillip Mubanga

Director
Finance & Administration Division



Mrs. Catherine Kanyensha

Director
Assessments & Qualifications Division



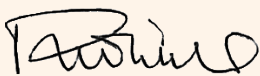
Mr. Orphan Hachinene

Director
Development Division

6 Statement from the Chairman

The year 2016 was the end of implementing the 2014 to 2016 Strategic Plan for the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA). Government policy drivers that underpinned the Strategic Plan on the skills demand side included the Industrialisation and Job creation strategy, the public infrastructure development programme, local value addition of the country's natural resource endowments, the General Education Curriculum Framework launched in 2013, and youth and citizen empowerment policies. Conversely, the skills supply side was guided by the TEVET policy, whose impact pillars consisted of: access and participation, quality of the learning experience and learning environment, system responsiveness, equity and inclusiveness and sustainable financing. To ensure actualise policy intentions of Government and TEVET policy impact pillars, the TEVETA Board, management and stakeholders formulated the Vision towards: "A world class Technical Education, Vocational and Entrepreneurship Training (TEVET) system that drives youth empowerment for national development." Development and deployment of various regulatory tools enabled the Authority to make progress in all key TEVETA policy impact pillars. Development of required curricula and Training system delivery standards combined with promotional work resulted in growth in the number of TEVETA examination candidates from 16,504 in 2014, to 24,951; representing a 51.2% growth. During the year, Secondary School Vocational Education and Training (VET) Trade Test assessments by TEVETA commenced. The Secondary School VET introduced a new access pathway with potential to raise the annual number of learners in the TEVET system to at least one (1) million by 2021 and possibly more. Development partner support from the United Nations Education, Scientific and Cultural Organization (UNESCO) working in partnership with the Government of South Korea under the Better Education for Africa's Rise (BEAR) project provided financing which enabled TEVETA to commence the Secondary School VET system, with technical support from the Korea Research Institute for Vocational Education and Training (KRIVET). This policy measure also highlighted the potential for Secondary Schools offering VET to offer the same service to out-of-school youth within their communities. With regard to quality, TEVETA played a key role in securing Zambia's membership to WorldSkills International, and thereby established a protocol by which the country could benchmark and access international skills excellence standards, which once infused in the national TEVET system and industry professional practice should help close the gap between graduate abilities and employer expectations. WorldSkills International was established in 1950, and runs international skills competitions every two (2) years, with competitors being learners from the TEVET system, supporters by trainers and industry experts. TEVET system responsiveness was achieved through a combination of interventions that involved curriculum development, training systems development and promotion, training provider support, assessment and certification, and performance based training contracts enabled through Window 3 of the TEVET Fund. Support from the Australian Government for a technical partnership involving TEVETA and Skills DMC, a Sector Skills Council for the Drilling, Mining and Construction sector introduced the method of packaging TEVETA curricula in job and/or product focused modules; the collaboration also helped pilot the use of Skills Advisory Groups (SAGs) and door-to-door on-site collection of curriculum development or review data and/or information. The year closed with the enactment of Skills Development Levy Act No. 46 of 2016, which provides hope of resolving the mismatch between growing demands for TEVETA's services and declining levels of public financing. The outlook for 2017 remained bright.

The Board remains grateful for the support and cooperation received from the Ministry of Higher Education and many other stakeholders.



Dr. Francis M. Ndilila
Board Chairman

7 Operational Review by the Director General

7.1 Mandate of TEVETA

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) is an institution created under the Technical Education, Vocational and Entrepreneurship Training Act (No. 13 of 1998), read together with the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. Its general function is to regulate, coordinate and monitor Technical Education, Vocational and Entrepreneurship Training in consultation with industry, employers, employees and other stakeholders. The specific functions are that TEVETA shall:

- a) administer and manage the Technical Education, Vocational and Entrepreneurship Training Fund;
- b) advise the Minister on the development quality of the human resources in Zambia through the technical education, vocational and entrepreneurship training;
- c) regulate and advise institutions established or registered under this Act;
- d) regulate and coordinate apprenticeship and trade testing systems;
- e) facilitate the provision of technical consultancy to institutions established or registered under this Act;
- f) facilitate the development of technical capacity in institutions established or registered under this Act;
- g) develop national curricula in consultation with stakeholders;
- h) set minimum standards and qualifications for any occupation, skill, technology or trade in accordance with trends in the industry;
- i) provide guidelines for the development of institutional curricula;
- j) accredit local and foreign examinations to be taken by persons attending courses at an institution established or registered under this Act;
- k) regulate and conduct national examinations and assessments relating to technical education vocational and entrepreneurship training;
- l) charge and collect fees in respect of examinations, assessments undertaken under this Act;
- m) award certificates to persons who succeeded in examinations and assessments undertaken under this Act;
- n) approve curricula and standards of certificates in institutions established or registered under this Act;
- o) register institutions;
- p) cancel registration of an institution established under this Act;
- q) collect, manage and disseminate labour market information relating to technical education, vocational and entrepreneurship training;
- r) initiate, monitor and evaluate development programmes for continued advancement of technical, vocational and entrepreneurship training;
- s) determine the equivalences of local and foreign examinations;
- t) accredit and register trainers, examiners and assessors;
- u) in conjunction with the Minister:
 - (i) determine priority skills areas of technical education, vocational and entrepreneurship training for the purpose of enhancing social and economic development in Zambia; and
 - (ii) mobilise financial and material resources for the provision of technical education, vocational and entrepreneurship training; and
- v) do all such things connected to or incidental to the functions of the Authority under this Act

7.2 Governance

TEVETA is governed by a Board of Directors appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

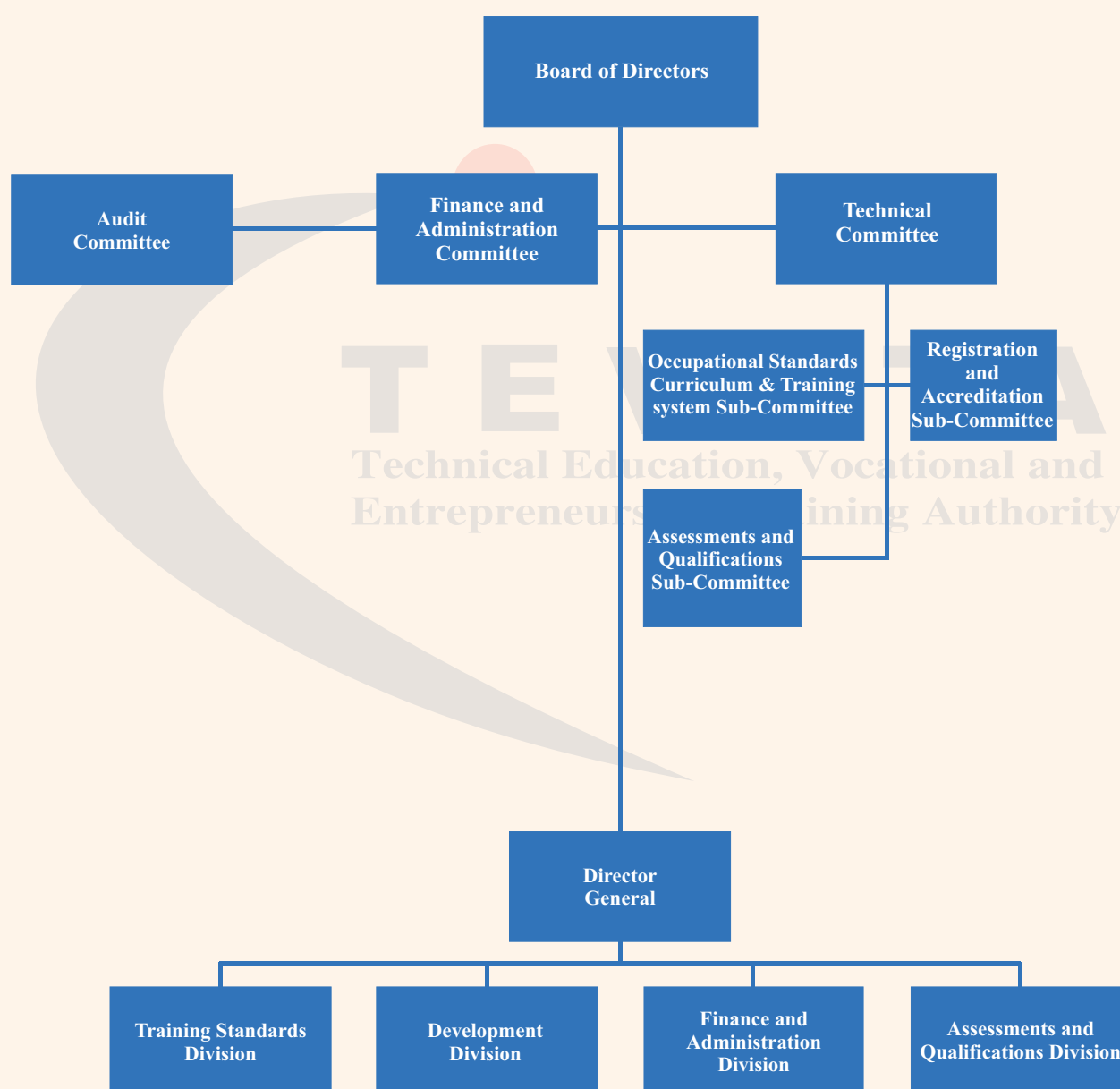
1. a representative of a federation of trade unions;
2. a representative of the Zambia Association of Chambers of Commerce and Industry;
3. one representative from the university established under the University Act;
4. one representative from a federation of employers' organisations;
5. a representative of the Zambia Chamber of Small and Medium Business Associations;
6. a representative of a research and development institution established under the Science and Technology Act;
7. a representative of a religious organisation involved in providing technical education, vocational and entrepreneurship training;
8. a representative of the Ministry responsible for technical education, vocational and entrepreneurship training;

9. a representative of the Ministry responsible for labour;
10. a representative of the Ministry responsible for education; and
11. one other person

The members elect a Chairperson and a Vice Chairperson from among their number

Figure 1: shows the governance structure for the Authority

Figure 1: STRUCTURE OF TEVETA



7.3 The Role of TEVETA

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) is organised around four Divisions. These are: Training Standards Division, Development Division, Assessments and Qualifications Division, and Finance and Administration Division. The divisions are under the supervision of the Director General. Each Division is further structured into specialised operational Units.

The report covers the activities carried out by the Authority in the course of implementing the Annual Work Plan and Budget approved by the Board for the period 1st January to 31st December 2016.

7.3.1 TRAINING STANDARDS DIVISION

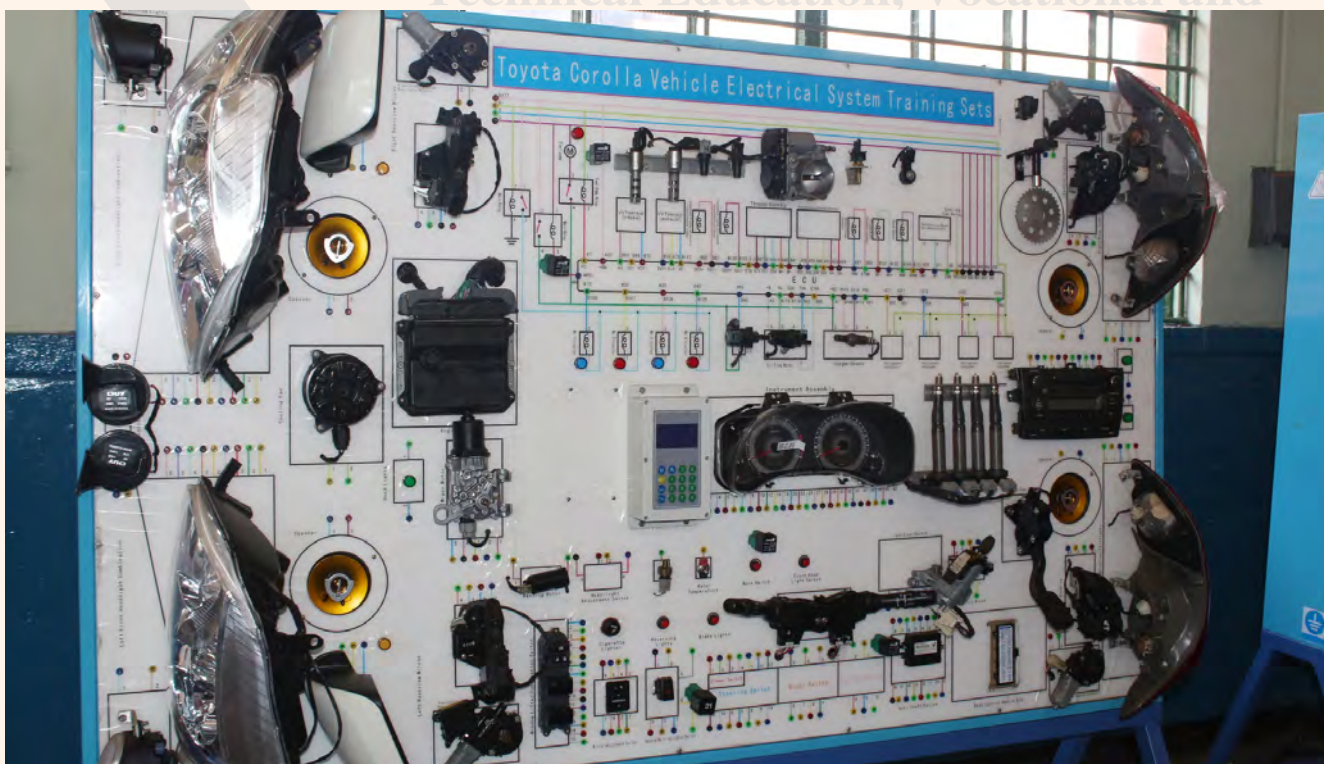
(a) The Training Standards Division

The Training Standards Division is responsible for monitoring and enforcing set standards in the provision of Technical, Vocational and Entrepreneurship Training (TEVET) in line with the provisions of the TEVET Act number 13 of 1998 read together with the TEVET Amendment Act number 11 of 2005. The strategic plan objectives that guided the activities of the Training Standards Division in 2016 were:

- i) Development and continuous improvement of the training quality assurance systems and procedures;
- ii) Provision of support to Training Providers in order to contribute to the enhancement of the efficiency and effectiveness of TEVET delivery.

The monitoring and enforcement of training standards is done through:

- i) Inspections and Registration of training providers;
- ii) Accreditation of Examination Bodies, Trainers, Examiners and Assessors;
- iii) Provision of Training Provider Support Services and;
- iv) Promotion of Entrepreneurship training.



(b) Inspection and Registration of Training Institutions

The Division conducted training quality assurance inspections for purposes of registration of new training institutions and also to

ensure compliance with training standards amongst registered training institutions. During the year under review, thirty three (33) applications were received from institutions seeking registration to offer training in accordance with the provisions of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act number 13 of 1998. Twenty five (25) institutions met the minimum training standards and were issued with registration certificates that permitted them to provide TEVET services. On the other hand, thirty five (35) institutions had their certificates of registration cancelled for failing to comply with the minimum training standards. As at December 2016, there were two hundred and ninety three (293) institutions on the TEVETA register.

TEVETA has a system of grading institutions according to their capability to offer quality training and learning experiences and environments against the set Minimum Training Standards. The grades show the level of capability of the training institutions to offer quality training as measured against the set minimum standards.

A **Grade '1'** training institution is a very good training Institution with well-established procedures in terms of management systems, management staff having the requisite qualifications and experience, accredited trainers, appropriately equipped workshops, enough classroom space, with adequate reference materials for teaching and learning, information technology communication (ICT) facilities and equipment and adequate sanitary facilities. On the other hand, a **Grade "2"** institution is also a good Institution that meets most basic requirements as stipulated in the Minimum Training Standards guide. However, the Institution may have some areas that need to be improved upon for example in the area of established management systems, inadequate staff or inappropriately equipped workshops or classrooms or appropriate sanitary facilities. Over enrolment can also negatively affect the grade of an institution.

A **Grade 3** institution is one that barely meets the minimum training standards to conduct training but may have some strengths and weaknesses in the areas of management systems, quality of administrative staff, adequacy of workshops, adequacy of sanitary facilities. Such an institution would be allowed to operate with a strong recommendation to improve in the identified areas.

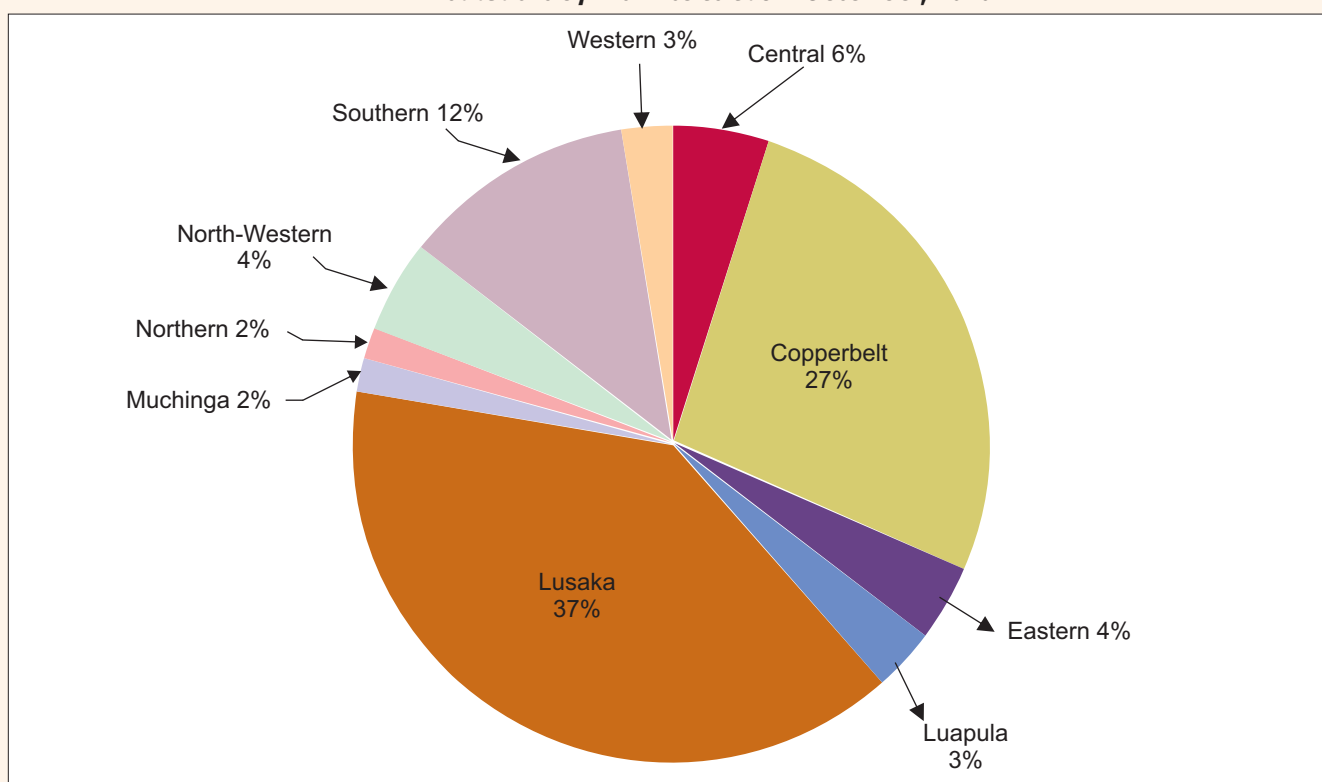
Table 1 below presents the distribution of registered institutions as at 31st December 2016 by province and grade while Table 2 presents institutions by province and ownership.

Table 1: Distribution of Institutions according to Grades as at 31st December 2016

| PROVINCE | GRADE | | | TOTAL | % |
|---------------|--------------|--------------|--------------|-------------|-------------|
| | 1 | 2 | 3 | | |
| Central | 1 | 7 | 10 | 18 | 6.1% |
| Copperbelt | 12 | 26 | 42 | 80 | 27.3% |
| Eastern | 0 | 4 | 7 | 11 | 3.8% |
| Luapula | 0 | 5 | 5 | 10 | 3.4% |
| Lusaka | 16 | 36 | 58 | 110 | 37.5% |
| Muchinga | 0 | 2 | 3 | 5 | 1.7% |
| Northern | 0 | 2 | 4 | 6 | 2.0% |
| North-Western | 1 | 6 | 4 | 11 | 3.8% |
| Southern | 7 | 10 | 17 | 34 | 11.6% |
| Western | 0 | 6 | 2 | 8 | 2.7% |
| Total | 37 | 104 | 152 | 293 | 100% |
| % | 12.6% | 35.5% | 51.9% | 100% | |

Historically, the largest number of institutions have fallen in Grade 3. This has raised concerns and this is an area of concern for the Authority as it has a bearing on the quality of training offered. **Figure 1** also shows that 82% of training institutions registered with TEVETA were along the line of rail with Lusaka Province having the largest share of registered Institutions. This implies that rural areas have been under serviced.

TEVETA Institutions by Province as at 31st December, 2016



TEVETA Technical Education, Vocational and Entrepreneurship Training Authority

Table 2: Distribution of training institutions by province and highest level of qualification offered as at 31st December 2016

| PROVINCE | Level of Training | | | | TOTAL | | |
|---------------|-------------------|---------------------|---------------------|---------------------|----------------|---------------|-------------|
| | Short Courses | Level 3 Certificate | Level 4 Certificate | Level 5 Certificate | Diploma (Tech) | Diploma (Mgt) | Total |
| Central | 3 | 7 | 5 | 0 | 1 | 2 | 18 |
| Copperbelt | 13 | 33 | 12 | 3 | 5 | 14 | 80 |
| Eastern | 1 | 5 | 4 | 0 | 0 | 1 | 11 |
| Luapula | 0 | 8 | 2 | 0 | 0 | 0 | 10 |
| Lusaka | 33 | 28 | 9 | 4 | 8 | 28 | 110 |
| Muchinga | 0 | 4 | 1 | 0 | 0 | 0 | 5 |
| Northern | 0 | 4 | 1 | 0 | 0 | 1 | 6 |
| North-Western | 1 | 6 | 4 | 0 | 0 | 0 | 11 |
| Southern | 9 | 14 | 7 | 0 | 1 | 3 | 34 |
| Western | 0 | 5 | 3 | 0 | 0 | 0 | 8 |
| Total | 60 | 114 | 48 | 7 | 15 | 49 | 293 |
| % | 20.5% | 38.9% | 16.4% | 2.4% | 5.1% | 16.7% | 100% |

Table 3: TEVET Institutions by ownership as at 31st December 2016

| Name of Province | Type of Ownership | | | | | | | Total | % of Total |
|------------------|---------------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Public / Government | Private | Church/Faith | Community | Trust | Company | NGO | | |
| Lusaka | 22 | 51 | 18 | 3 | 6 | 5 | 5 | 110 | 37.54% |
| Copperbelt | 23 | 21 | 15 | 3 | 1 | 14 | 3 | 80 | 27.30% |
| Southern | 10 | 9 | 12 | 0 | 0 | 3 | 0 | 34 | 11.60% |
| North-Western | 6 | 0 | 1 | 1 | 0 | 3 | 0 | 11 | 3.75% |
| Luapula | 5 | 0 | 4 | 1 | 0 | 0 | 0 | 10 | 3.41% |
| Central | 9 | 5 | 2 | 0 | 0 | 0 | 2 | 18 | 6.14% |
| Eastern | 7 | 3 | 1 | 0 | 0 | 0 | 0 | 11 | 3.75% |
| Western | 4 | 0 | 3 | 0 | 0 | 0 | 1 | 8 | 2.73% |
| Northern | 5 | 0 | 1 | 0 | 0 | 0 | 0 | 6 | 2.05% |
| Muchinga | 3 | 0 | 0 | 0 | 0 | 1 | 1 | 5 | 1.71% |
| Total | 94 | 89 | 57 | 8 | 7 | 26 | 12 | 293 | 100% |
| % | 32.1% | 30.4% | 19.5% | 2.7% | 2.4% | 8.9% | 4.1% | 100% | |

(C) Accreditation of Examination Bodies, Trainers, Examiners and Assessors

In the overall context of promoting quality; trainers, assessors and examiners that conduct any activity related to technical education, vocational and entrepreneurship training are required to accredit with TEVETA. In this regard, nine hundred and seven (907) applications were received for accreditation either as trainers, assessors or examiners during the year. Eight hundred and forty seven (847) of the applicants were successfully awarded accreditation

The TEVET Amendment Act number 11 of 2005 also mandates TEVETA to accredit all examinations that are taken by persons attending courses at institutions established or registered under TEVET Act number 13 of 1998. During the year, the Authority accredited one additional examination body bringing the total of accredited examination bodies as at 31st December 2016 to seventeen (17). **Table 4** below presents the names of foreign examination bodies that are accredited to conduct examinations at institutions registered with TEVETA.

Table 4: List of Accredited Examination Boards in TEVET as at 31st December 2016.

| | | | |
|----------|---|-----------|---|
| 1 | Association of Accounting Technicians (AAT) | 10 | City and Guilds |
| 2 | Association of Business Executives (ABE) | 11 | Institute of Certified Bookkeepers (ICB) |
| 3 | Association of Business Managers and Administrators (ABMA) | 12 | Institute of Commercial Management (ICM) |
| 4 | Association of Chartered Certified Accountants (ACCA) | 13 | International Computer Driving License (ICDL) |
| 5 | Australian International Institute of Workplace Training (AIWIT) | 14 | Institute for the Management of Information Systems (IMIS) |
| 6 | Cambridge International College (CIC) | 15 | London Centre of Marketing (LCM) |
| 7 | Certified Commerce Industry Personnel (CCIP) | 16 | Pearson LCCI |
| 8 | Chartered Institute of Purchasing and Supply (CIPS) | 17 | Society for Business Practitioners (SBP) |
| 9 | Chartered Institute for Securities and Investments (CISI) | | |

d. Training Provider Support Services

The Authority provided support services to registered training institutions through the following initiatives:

- i) Promoting quality management systems in TEVET provision,
- ii) Effective and innovative delivery of entrepreneurship training in TEVET;

In an effort to ensure improvements in the quality of training, the Authority provided support to thirteen (13) training institutions targeting some of the areas of deficiency that were observed during inspections. Eight (8) institutions were guided through the process of setting up Quality Assurance Committees while ten (10) grade three institutions were guided through the process of developing and maintaining professional documents. This has improved the beneficiary institutions in the way they keep records and reporting.

7.3.2. DEVELOPMENT DIVISION

The Division is structured into two units namely; Curriculum Development Unit and Training Systems Development Unit. The functions of the Division include: d [to read: included]

- i. Facilitating the development of qualification descriptors and learning programmes;
- ii. Coordinating curriculum development and review;
- iii. Giving advice to stakeholders in relation to curriculum content, learning requirements and outcomes and quality of the learning environment;
- iv. Setting standards and providing guidelines for the design and implementation of training systems;
- v. Promoting of various learning pathways.

The report of the Development Division highlights activities undertaken and related outcomes, towards the realisation of set Outputs and Objectives of the year under review. The strategic objectives that guided the operations of the Division were from the 2014-2016 Strategic Plan and the 2016 Annual Work Plan and Budget show below:

7.3.2.1 The Strategic Plan Objectives

The Strategic Plan objectives guiding the operations of the Division were as follows:

- i) To develop and continuously review TEVET Curricular to ensure relevance and responsiveness to National Development;
- ii) To develop and promote innovative Training Systems in order to increase access to TEVET through a variety of learning pathways;
- iii) To develop and implement a TEVET Research, Innovation and Knowledge management system;
- iv) To promote and/or facilitate integration and mainstreaming of the cross cutting issues in TEVET such as: HIV/AIDS, Gender, Disability, sustainable Environment, Climate Change, and civic competences.

7.3.2.2 Strategic Plan Outputs

During the stated period the Strategic Plan outputs tasked to the Division are to ensure that:

7.3.2.2.1. TEVET annual learner enrolment increased to at least 154,000 learners by December 2017 through promotion and/or development of the following training systems:

- a) Training;
- b) Institution based;
- c) On-the-Job training;
- d) Apprenticeship /TEVET Learnership;
- e) Open, Distance and Flexible Learning (ODFL);
- f) Recognition of Prior Learning Assessment (also known as Assessment Only Training System);
- g) Secondary School Vocational Education and Training (VET).

7.3.2.2.2. A TEVET skills competition system to promote open learning, excellence, and informal-to-formal sector migration developed and piloted;

7.3.2.2.3. A TEVET Graduate Demand and Supply Labour market monitoring and analysis system developed and implemented in partnership with the ministry of Labour and Social Security, industry, professional bodies and other key stakeholders;

7.3.2.2.4. Partnerships with industry, professional bodies, Government agencies and other stakeholders strengthened;

7.3.2.2.5. TEVET Curricular evaluated and reviewed as they fall due; (NB. every 4 or 5 years.);

7.3.2.2.6. All new curricular developed within 7 months of labour market need identification.

7.3.3.0. TRAINING SYSTEMS DEVELOPMENT

7.3.3.1. To develop and promote innovative Training Systems in order to increase access to TEVET through a variety of learning pathways

Among the activities the Authority undertook included:

- a) Facilitating of the review of the Work Based Learning systems including Apprenticeship System. A consultative workshop was held in partnership with International Labour Organisation (ILO), industry, Ministries of Labour, Higher Education and other stakeholders. The activity was expected to be in 2017.
- b) Promoting On-The-Job Training systems at workplaces and construction project worksites was done through the drafting and reviewing of Units of Competency introduced to TEVETA through a Competence Based Modular Training project funded by the Government of Australia. TEVETA's implementing partner was SkillsDMC; a sector skills Council responsible for Drilling, Mining and Construction.
- c) Working with African Development Bank (AfDB) Support for Science and Technology Education Project (SSTEP) to facilitate training of the Out of school youths in different skills through work based Training system using Tevet Fund Window 3 Funding methodology in 21 Training Institutions. This Activity resulted in 28 Training Institutions receiving funding and 560 Trainees have received Training in various skills. The Division also implemented the Guidelines being piloted at Luangwa secondary school and at Mazabuka School for continuing Education. This is as a result of the support from the Better Education for African Rise (BEAR) project.
- d) Developing guidelines, standards and procedures for Open, Interactive, Individual Learner and Group Based Learning method and these guidelines will be implemented in 2017. Other guidelines developed were for the provision of TEVET by combination of ODFL and On-The-Job Training.
- e) Coordinating activities under Worldskills Zambia including World Youth Skills Day that fell on 15th July 2016. The event enabled Zambia to host the President of World Skills International.
- f) Carrying out Tracer studies for former TEVET graduates in Lusaka, Southern, Northern, Copperbelt and Northwestern provinces in collaboration with the National Council for Construction (NCC).

7.3.3.2. To develop and continuously review TEVET Curricula to ensure relevance and responsiveness to National Development.

In the year under review the development and continuous review of TEVET curricula, the following were done:

- a) 4 job profiles were reviewed out of the 10 targeted;
- b) 6 programmes were reviewed out of the 10 targeted;
- c) 6 programmes were validated out of the 10 targeted;
- d) 11 curricula approved out of the 10 targeted;
- e) 2 qualification Descriptors developed out of the 20 targeted;
- f) 15 programmes were launched to the public at stakeholders forum;
- g) 24 new job profiles were developed out of the targeted 20 ;
- h) 7 new curricula were developed out of the 20 targeted;
- i) 5 new curricula validated out of the targeted 20;
- j) 32 new curricula approved out of the targeted 20;
- k) 8 learning Manuals out of the set target of five(5) indicating;
- l) 8 learning manuals were validated out of the targeted five(5) indicating ;
- m) 3 learning Manuals were evaluated for electrical Engineering and other materials are being evaluated. Out of the targeted five(5) ;
- n) 8 learning manuals were printed out of the targeted five(5).

The shortfalls per activity were due to insufficient funding.

7.3.3.3 ASSESSMENTS AND QUALIFICATIONS DIVISION

The Division carries out the following functions:

- Regulating and conducting national examinations and assessments;
- Regulating and coordinating apprenticeship and trade testing;
- Determining equivalences of local and foreign examinations;
- Awarding of certificates.

This Divisional report gives annual statistical summaries of TEVET examinations which comprises three sessions: April-May, July - August and November-December. It also includes Secondary Schools Vocational Education Training (SSVET) that were conducted in September – October, 2016 which are also tabulated in this report for the second pilot cohort.

7.3.3.4 Number of Institutions that Participated in the Examinations

A total of 145 institutions presented candidates in Regular Programmes (Certificate to Diploma (ZQF Levels 4-6)) Programmes and 235 institutions in Trade Test Programmes in the 2016 TEVET examinations. Copperbelt and Lusaka recorded the highest number of institutions participating in the 2016 examinations recording 102 and 96 institutions respectively. The least number of institutions were recorded in Muchinga (6), followed by Northern (14). Figure 1 and Table 1 shows this distribution:

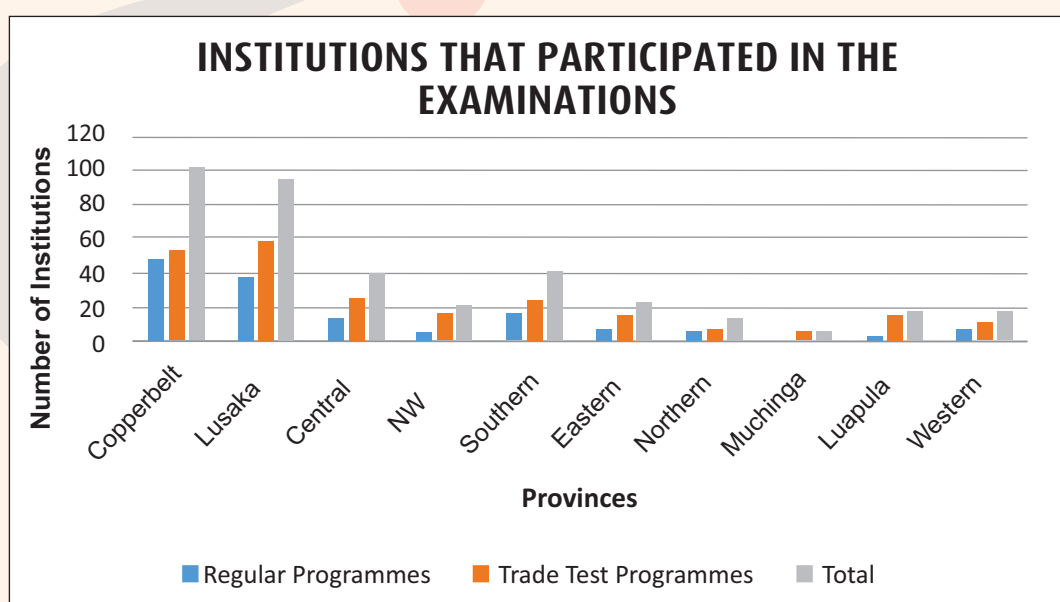


Figure 2: Institutions that participated in the examinations

| | Copperbelt | Lusaka | Central | NW | Southern | Eastern | Northern | Muchinga | Luapula | Western | Total |
|----------------|------------|--------|---------|----|----------|---------|----------|----------|---------|---------|-------|
| NQF Levels 4-6 | 48 | 37 | 14 | 6 | 16 | 8 | 6 | 0 | 3 | 7 | 145 |
| Trade Test | 54 | 59 | 26 | 16 | 25 | 15 | 8 | 6 | 15 | 11 | 235 |
| Total | 102 | 96 | 40 | 22 | 41 | 23 | 14 | 6 | 18 | 18 | 380 |

Table 1: Institutions that participated in the examinations

7.3.3.5 Examination Entries per Province

Lusaka province recorded the highest number of examination entries at 45,595. This was broken down as: 42,341 ZQF Levels 4-6 Programmes and 3,254 Trade Test Programmes. Lusaka was seconded by Copperbelt Province which had 37,799 entries, broken down as: 35,449 ZQF Levels 4-6 Programmes and 2,350 Trade Test Programmes. The least number of examination entries were recorded in Muchinga at 167. Figure 2 and Table 2 shows this distribution:

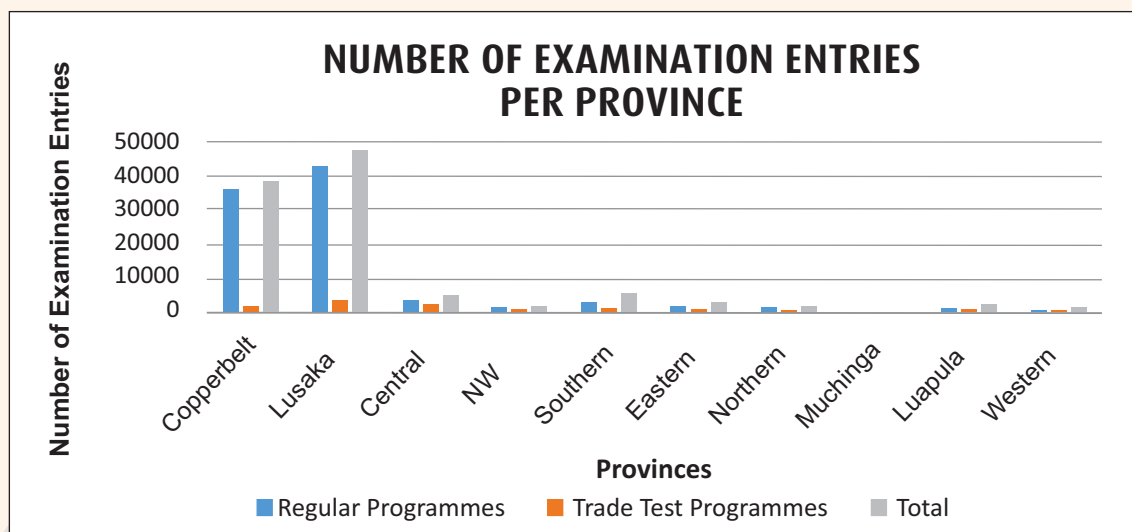


Figure 2: Institutions that participated in the examinations

| | Copperbelt | Lusaka | Central | NW | Southern | Eastern | Northern | Muchinga | Luapula | Western | Total |
|--------------------|------------|--------|---------|-------|----------|---------|----------|----------|---------|---------|---------|
| Regular Programmes | 35,449 | 42,341 | 3,702 | 1,941 | 4,074 | 1,784 | 1,195 | 0 | 1,065 | 803 | 92,354 |
| Trade Test | 2,350 | 3,254 | 1,457 | 618 | 1,134 | 665 | 503 | 167 | 740 | 635 | 11,523 |
| Total | 37,799 | | 5,159 | 2,559 | 5,208 | 2,449 | 1,698 | 167 | 1,805 | 1,438 | 103,877 |

Table 2: Examination entries per province

7.3.3.6 Candidature

A total of 24,951 learners sat for 2016 TEVET assessments and examinations (13,441 ZQF Levels 4-6 Programmes and 11,510 Trade Test Programmes). A decrease of 2.84% was recorded in the number of candidates who sat for examinations in 2016 as compared to 2015.

Trade Test Programmes recorded a drop in the number of candidates assessed from 12,697 to 11,510, representing a percentage of 9.35%. This is contrary to the past years (2013, 2014 and 2015) where these numbers have seen a constant rise from 7,395, 9,850 and 12,697 respectively. Refer to Figure 3 and Table 3.

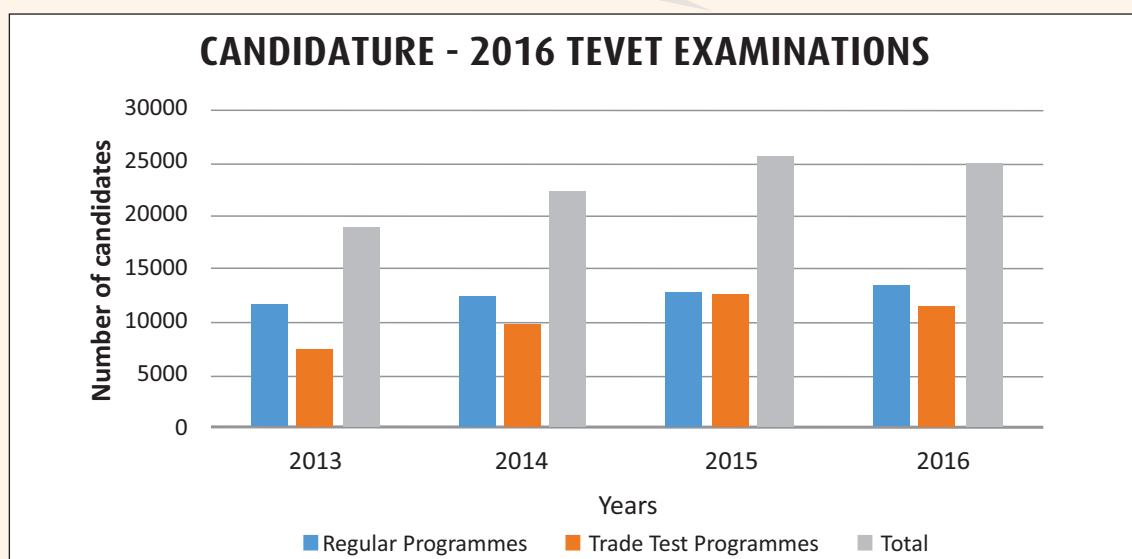


Figure 4: Candidature

Table 3: Candidature

| | 2013 | 2014 | 2015 | 2016 |
|----------------------------|-------|-------|-------|-------|
| NQF Levels 4 -6 Programmes | 11677 | 12501 | 12979 | 13441 |
| Trade Test Programmes | 7395 | 9850 | 12697 | 11510 |
| Total | 19072 | 22351 | 25676 | 24951 |

7.3.3.7 Number of Programmes Examined

A total of 346 courses were sat in 2016 examinations. From these 188 were ZQF Levels 4-6 Programmes whilst 158 Trade Test Programmes. In Trade Test, there was a decline in a number of courses sat in 2016 (158) as compared to 2015 (170). Refer to Table 4.

Table 4: Number of programmes examined

| | 2013 | 2014 | 2015 | 2016 |
|----------------------------|------|------|------|------|
| NQF Levels 4 -6 Programmes | 162 | 169 | 174 | 188 |
| Trade Test Programmes | 151 | 170 | 170 | 158 |
| Total | 313 | 339 | 344 | 346 |

7.3.3.8 Number of Subjects Examined

A total of 2009 subjects were examined in 2016 examinations. The number of subjects examined increased from 1,881 in 2015 to 2,009 in 2016 representing a percentage growth of 6.80%. The increase in the number of subjects examined has been constant from 2013 through to 2016. Refer to Figure 4 and Table 5.

Table 5: Number of subjects examined

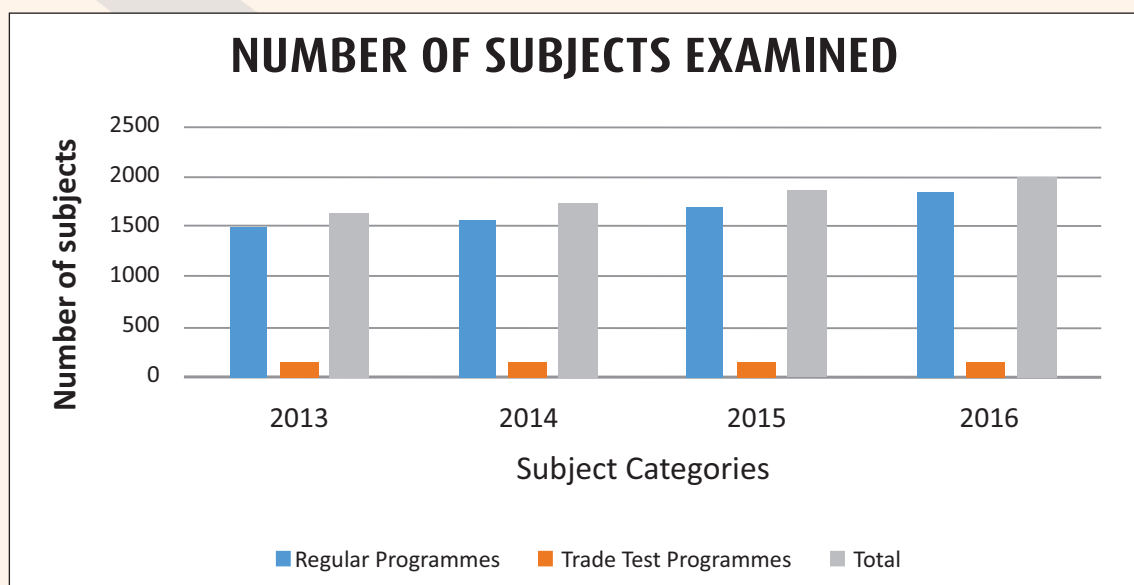


Table 5: Number of subjects examined

| | 2013 | 2014 | 2015 | 2016 |
|-----------------------------------|-------------|-------------|-------------|-------------|
| NQF Levels 4 -6 Programmes | 1498 | 1573 | 1711 | 1851 |
| Trade Test Programmes | 151 | 170 | 170 | 158 |
| Total | 1649 | 1743 | 1881 | 2009 |

7.3.3.9 Overall Performance – ZQF Levels 4-6 Programmes

From a total of 13,441 candidates who registered to sit for ZQF Levels 4-6 Programmes: 7,638 males passed, 1,235 males failed, 3,079 females passed, 468 females failed and 1,021 candidates were absent. This brought the overall pass rate to 86.29%. Table 6 indicates this distribution:

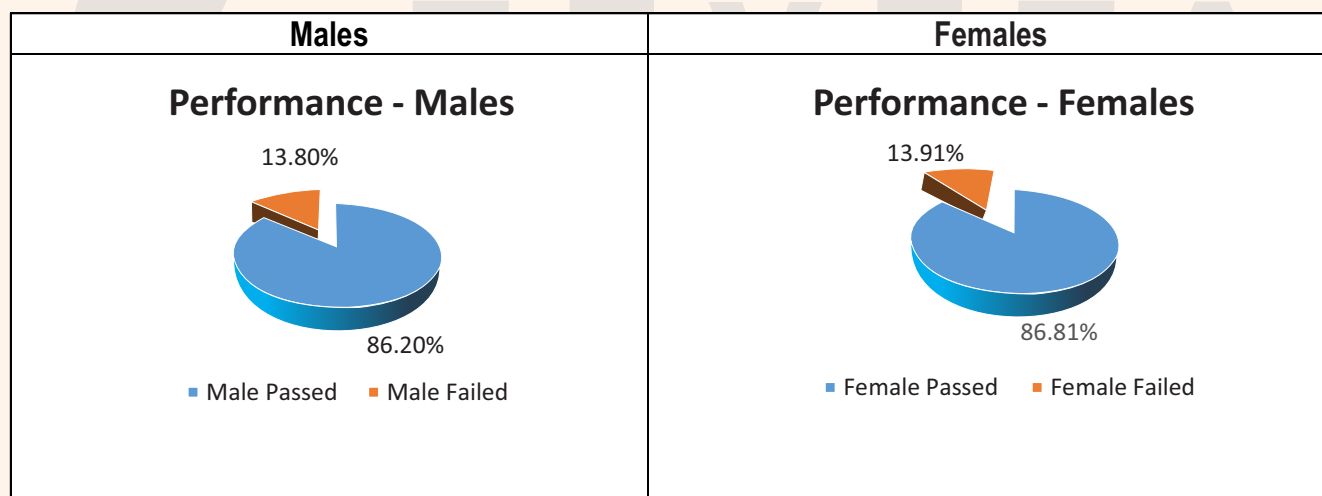
Table 6: Overall Performance - Regular Programmes

| Registered | Sat | Absent | Male passed | Male failed | Female passed | Female failed |
|------------|--------|--------|-------------|-------------|---------------|---------------|
| 13,441 | 12,420 | 1,021 | 7,638 | 1,235 | 3,079 | 468 |

Student Performance between Males and Females (Refer to Figure 5 and Figure 6).

Figure 6: Male Performance-Regular Programmes

Figure 7: Female Performance - Regular Programmes



7.3.4.0 Overall Performance – Trade Test Programmes

From a total of 11,529 candidates who registered to sit for Trade Test programmes: 7,086 males passed, 564 male failed, 3,180 female passed, 203 females failed and 496 candidates were absent. This brought the overall pass rate at 93.05%. Refer to Table 7.

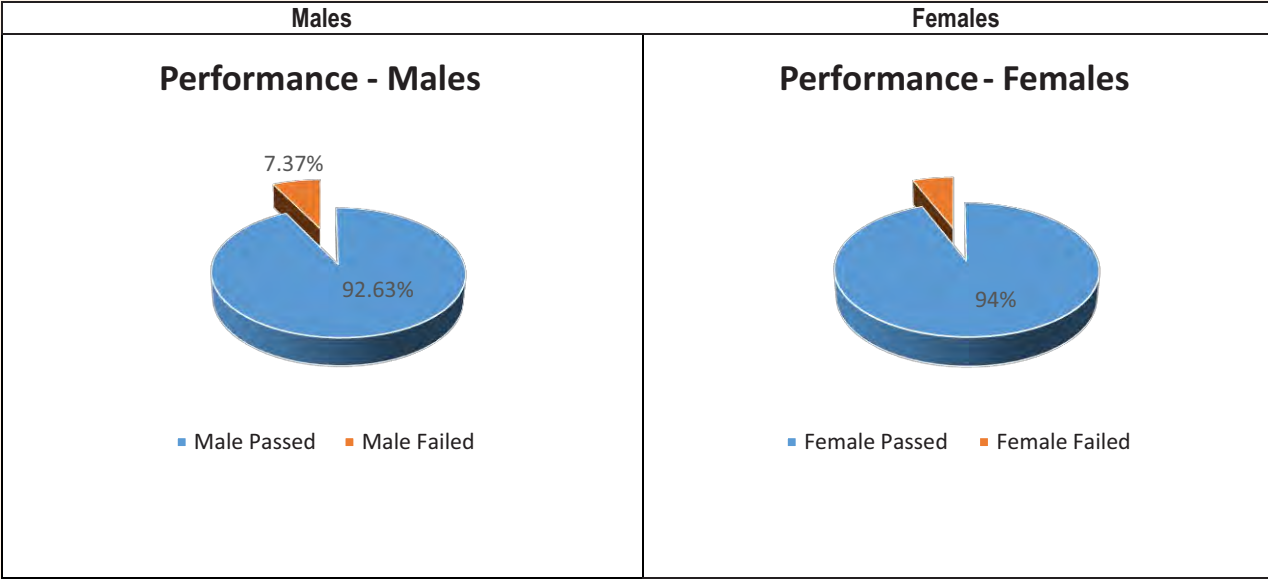
Table 7: Overall Performance – Trade Test Programmes

| Registered | Sat | Absent | Male passed | Male failed | Female passed | Female failed |
|------------|--------|--------|-------------|-------------|---------------|---------------|
| 11,529 | 11,033 | 496 | 7,086 | 564 | 3,180 | 203 |

The pass rates for males and females were 92.63% and 94% respectively. The pie charts in Figures 7 and 8 show this breakdown:

Figure8: Male PerformanceTrade Test Programmes

Figure9: Female PerformanceTrade Test Programmes



7.3.4.1 Resit Candidates

The number of Resit candidates rose from 3,171 in 2015 to 3,245 in 2016 representing a 2.33% growth. The highest number of resit candidates was recorded in 2014 which was at 3,662 and lowest in 2013 which was at 2,456. Refer to Figure 9 and Table 8.

Figure 10 : Resit Candidates

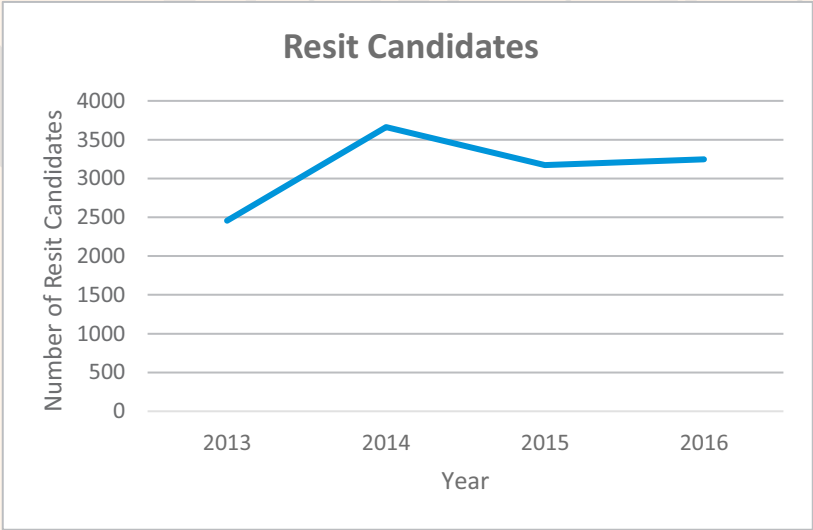


Table 8: Resit Candidates

| | 2013 | 2014 | 2015 | 2016 |
|------------------|-------|-------|-------|-------|
| Resit Candidates | 2,456 | 3,662 | 3,171 | 3,245 |

7.3.4.2 Resit Subjects

The number of subjects that were re-sat rose from 5,287 in 2015 to 5,458 in 2016 representing a 3.23% growth. The highest number of resit subjects were recorded in 2014 which was at 6,177, whilst the lowest was in 2013 which was at 4,010. Refer to Figure 10 and Table 9.

Figure 11 : Resit Subjects

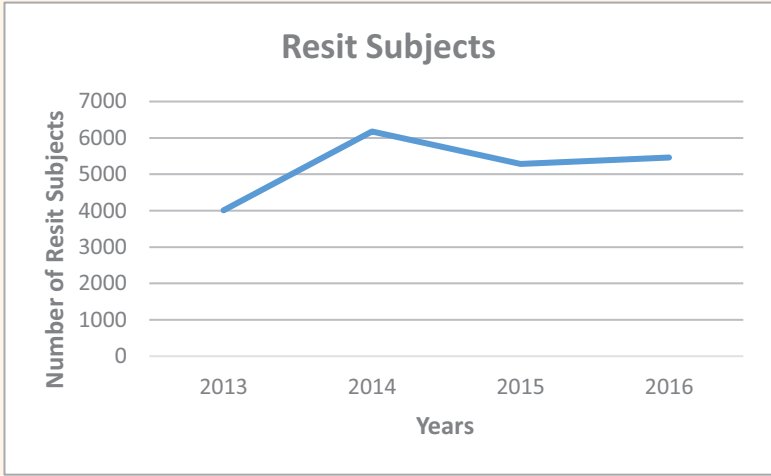


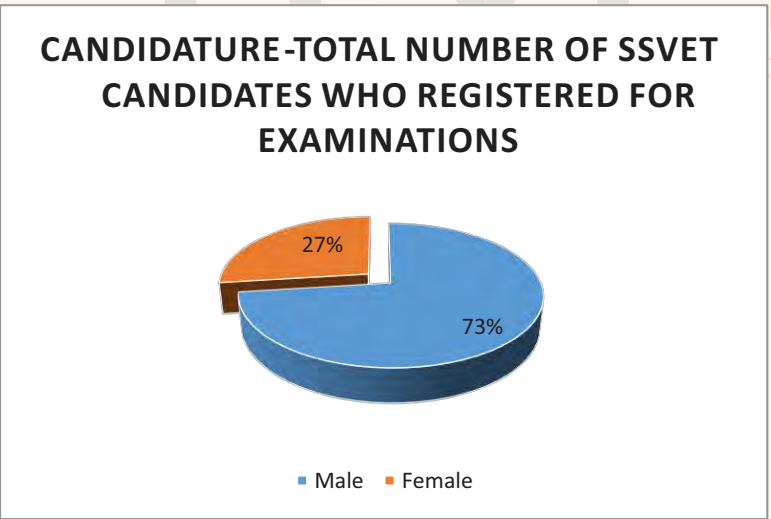
Table 9: Resit Subjects

| | 2013 | 2014 | 2015 | 2016 |
|----------------|-------|-------|-------|-------|
| Resit Subjects | 4,010 | 6,177 | 5,287 | 5,458 |

7.3.4.3 Candidature - Secondary School Vocational Education and Training (SSVET)

A total of 1,528 candidates registered to sit for September – October, 2016 SSVET examinations. From these, 1,121 were male whilst 407 females, representing, a percentage of 73% and 27% respectively (Refer to Figure 11).

Figure 11: Candidature - SSVET



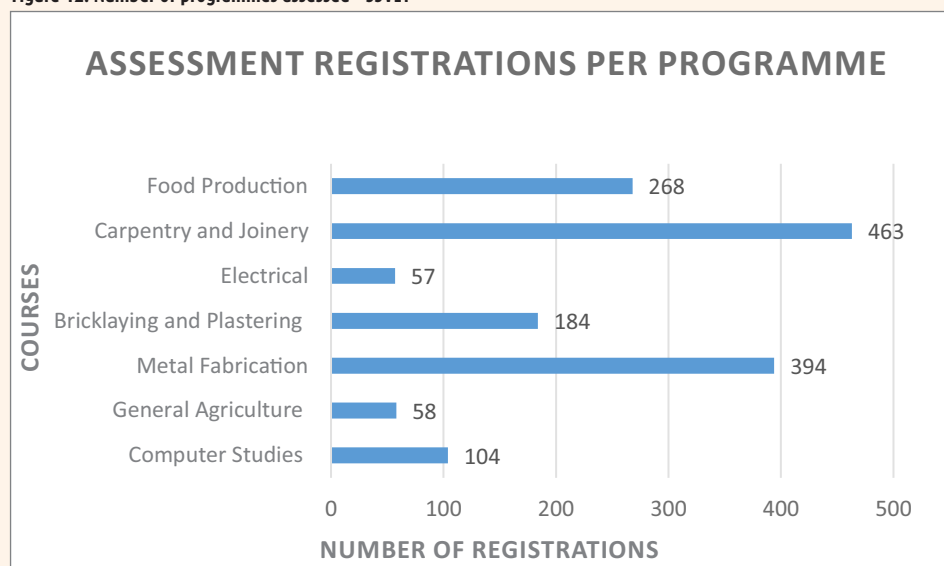
7.3.4.4 Number of Programmes Assessed - SSVET

Seven (7) programmes were assessed in the September – October, 2016 SSVET examinations. These were:

- I. Computer Studies;
- II. General Agriculture;
- III. Metal Fabrication;
- IV. Bricklaying and Plastering;
- V. Electrical;
- VI. Carpentry and Joinery;
- VII. Food Production.

Carpentry and Joinery recorded the highest number of candidates at 463, followed by Metal Fabrication (394) and Food Production 268. The lowest was in Electrical (57) and General Agriculture (58). Figure 12 shows the examination entries per course:

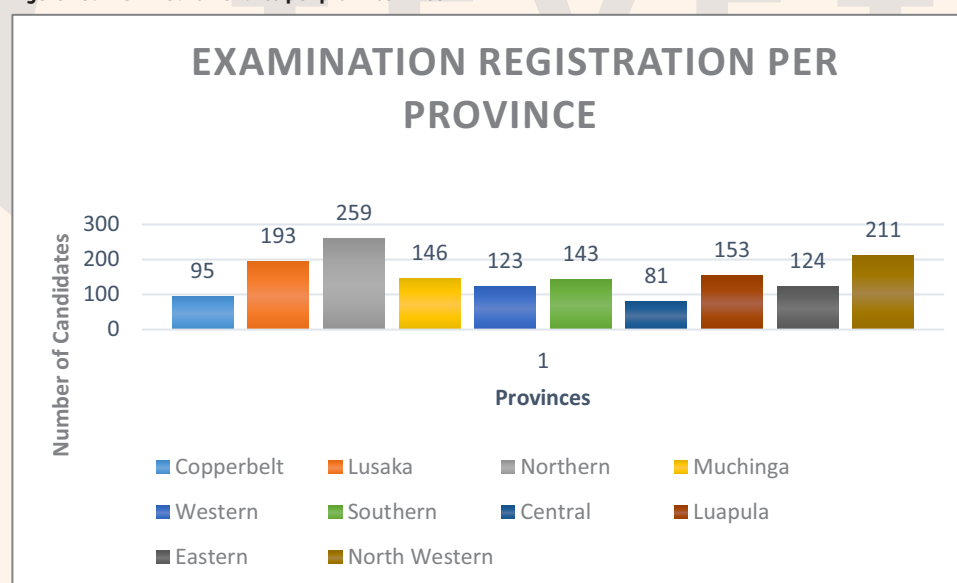
Figure 12: Number of programmes assessed - SSVET



7.3.4.5 Examination Entries per Province - SSVET

Northern Province recorded the highest number of candidates who registered for September – October, 2016 examination at 259 whilst Central Province and Copperbelt Provinces were at lowest at 81 and 95 respectively. North-Western and Lusaka recorded relatively high registration at 211 and 193. Figure 13 shows the distribution of examination entries per province.

Figure 13: Examination entries per province - SSVET



7.3.4.6 Overall Performance - SSVET

From a total of 1,472 candidates who sat for examinations, 1,287 passed representing an overall percentage pass rate of 87.43%. The performance was broken down as follows:

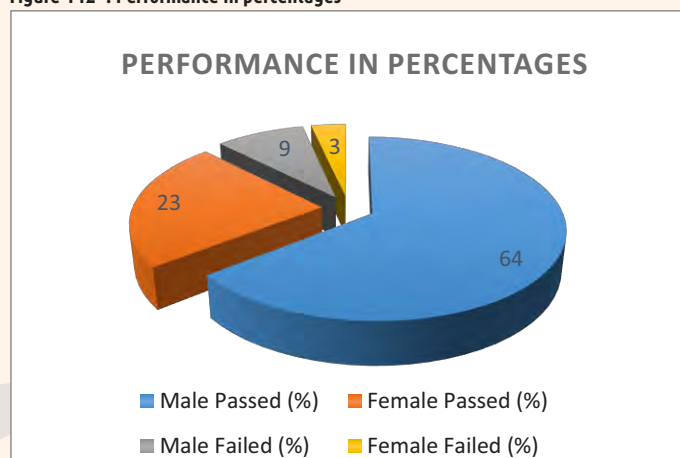
- 946 Males passed representing a percentage of 64%;
- 341 Females passed representing a percentage of 23%;
- 131 Males failed representing a percentage of 9%;
- 51 Females failed representing a percentage of 3%.

Table 10 believe shows this breakdown while Figure 14 indicates the pass rates in percentage terms:

Table 10: Breakdown of Performance in numbers

| Sat | Absent | Male Passed | Female Passed | Male Failed | Female Failed | Total |
|-------|--------|-------------|---------------|-------------|---------------|-------|
| 1,472 | 56 | 946 | 341 | 131 | 51 | 1,528 |

Figure 112 : Performance in percentages



The performance by gender was as follows:

Figure 113: Performance by Gender - Females

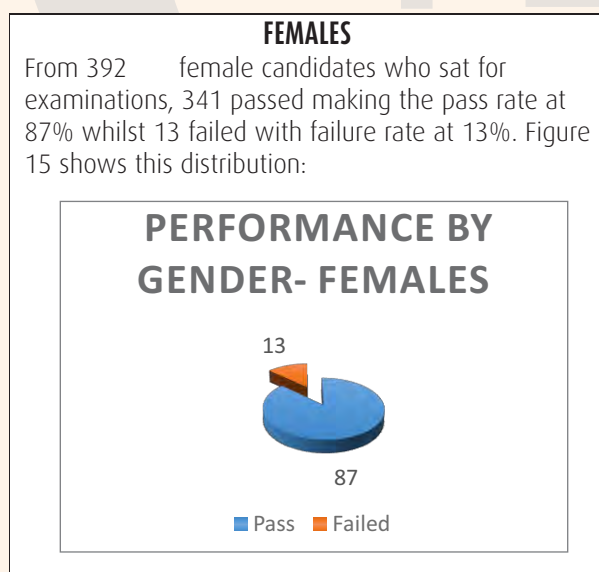
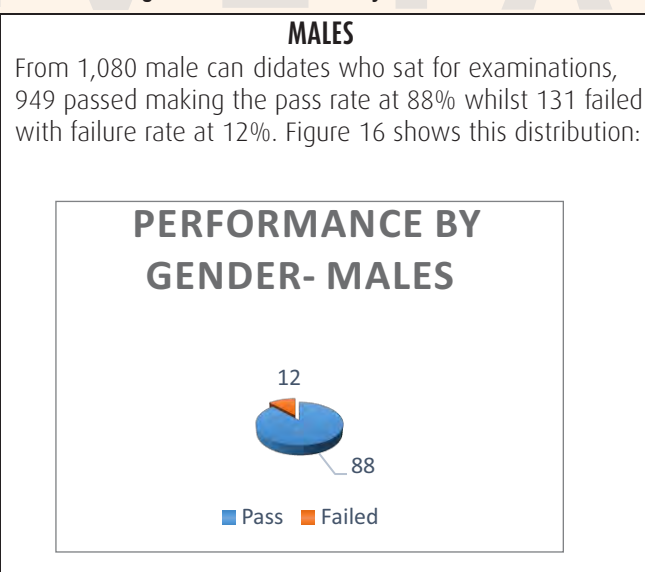


Figure 114: Performance by Gender - males



7.3.4.7 Challenges

The Assessment and Qualifications database used to register, enroll, access students and production of various statements has reached its limit. The platform that was used to design this system was not meant to hold more than five (5) million records, and support more than five (5) simultaneous connections. Exceed the limits has resulted in the system to being unstable. During the processing of the November – December, 2016 examinations, the database failed a number of times. There were plans to enhance the capacity of TEVETA's Management Information System (MIS) in 2017.

7.3.4.8 Management Information System (MIS) Enhancements

- i. New Assessment and Qualifications MIS, which was planned to be operational by the April – May, 2017.
- ii. Bought a new server, air cons, UPS and antivirus software.
- iii. Embarked on the Project to develop an E-Learning Portal and Online Payment platforms in the first quarter of 2017. These systems will enable institutions and learners to do enrolments, registrations and submission of Continuous Assignments via the web. In addition, examination docket, results and various statements will be sent to learners and institutions via the internet.

7.3.4.9 Conclusion

Despite the various challenges advanced, the Assessments and Qualifications Division, worked with the IT Unit, and managed to accomplish the task successfully and produce the results on time.

7.4 FINANCE AND ADMINISTRATION DIVISION

The Finance and Administration Division is responsible for the overall financial management Human Resource and Administration of the Authority. This is the financial performance report for the year ended 31st December 2016.

7.4.1 Technical Education, Vocational and Entrepreneurship Training (TEVET) Fund

TEVETA is established under the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act No. 13 of 1998 and the TEVET Amendment Act No. 11 of 2005. Among the responsibilities of TEVETA, is the management of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Fund. The TEVET Fund is expected to play an important role in assisting the Government of the Republic of Zambia (GRZ) develop a high quality, sustainable, demand-driven, and equitable TEVET system.

During the year, invitation for Bids to finance training in support of SME and Informal Sector Training under Window No. 3 were sent to all Training Institutions registered by TEVETA. Invitations were only done in the last quarter due to non-availability of funds during the first three quarters of the year. The Africa Development Bank (ADB) through Support to Science and Technology Project (SSTEP) financed TEVET Fund activities through Work-Based and Entrepreneurship Training under Window No. 3 in the fourth Quarter of 2015. As a result of this support, the TEVET Fund was able to invite training providers to submit training proposals for possible funding. The bids were received and evaluated in December, 2015. However, the awarding of contracts and funding was done in the third quarter of 2016. Monitoring and evaluation of contracts delayed due to non-availability of funds though the inception and progress reports were received from some training providers.

7.4.2 Reporting Parameters

The purpose of this report is to inform on the performance and progress of the activities and training programmes financed by the TEVET Fund during the year 1st January 2016 to 31st December, 2016.

The report is arranged in two sections. Section A of the report will cover the technical aspects while Section B will cover financial matters.

7.4.3 Section A – Technical Report

The following technical issues will be addressed in this report under the numbering as shown below:

- i. Performance and progress of training programmes financed by the TEVET Fund;
- ii. Training outcomes and implications on the priority sectors in relation to the Revised Sixth National Development Plan (RSNDP);
- iii. Highlights of the achievements in line with the agreed (Contractual) skills areas.

7.4.4 Performance and progress of training programmes financed by the TEVET Fund

During the year under review, Seventeen (17) training programmes were financed as detailed below:

1. Power Electrical / Domestic House wiring;
2. Metal Fabrication;
3. Plumbing and Sheet Metal;
4. Carpentry and Joinery;
5. Bricklaying and Plastering;
6. General Agriculture / Sustainable Agriculture;
7. Pig production and Feed formulation;
8. Poultry Production;
9. Diesel Mechanic – Hydraulics & Pneumatic Maintenance and Repair;
10. Domestic refrigeration equipment;
11. Design Cutting and Tailoring;
12. Roofing and Upholstering;
13. Food Production;
14. Automotive mechanics;
15. Block moulding/ manufacturing and paving;
16. Horticulture/Vegetable production;
17. Field crops production.

All the programmes commenced in the fourth quarter of 2016 and progress is yet to be monitored and evaluated. At least 70% of the trainees will sit for Trade Test level 3 examinations and all successful candidates will be certified.

7.4.5 A total of Twenty One (21) TEVET Institutions were funded as listed below:

1. Chipata Trades Training Institute;
2. Mongu Trades Training Institute;
3. Kaoma Trades Training Institute;
4. Mwinilunga Trades Training Institute;
5. Livingstone Institute of Business and Engineering Studies;
6. Northern Technical College;
7. Mansa Skills Training Centre;
8. Mansa Trades Training Institute;
9. Solwezi Trades Training Institute;
10. Ukwimi Trades Training Institute;
11. Kolelawak Skills Training Centre;
12. SOS Vocational Training Centre;
13. National Vocational and Rehabilitation Centre;
14. Ngungu Youth Resource Centre;
15. Chiyota Youth Resource Centre;
16. Lusaka Youth Resource Centre;
17. Mufumbwe Youth Resource Centre;
18. Chisangwa Youth Resource Centre;
19. Kaoma Youth Resource Centre;
20. Craw Hammer Trades School;
21. Ndola Polytechnic.

7.4.6 Training Outcomes and Implications on the priority sectors in relation to the Revised Sixth National Development Plan (RSNDP)

The broad goals of the TEVET Sector according to the RSNDP are to increase equitable access to quality education and skills training to enhance human capacity for sustainable national development.

It is in response to this goal that the TEVET Fund provided resources to encourage institutions to adequately offer the skills demanded by the labour market in both the formal and informal sector.

7.4.7 Programme, Objectives and Strategies

Below is a matrix of the programmes, objectives and strategies as they appear in Revised Sixth National Development Plan. The TEVET Fund intervention column is added to state the corresponding output to address the issues raised in the RSNBP.

| No. | Programmes | Objectives | Strategies | TEVET Fund Intervention |
|-----|----------------------------|--|--|--|
| 1. | Curriculum Development | To review the curriculum at all levels to make it relevant and responsive to national aspirations and education needs. | Review Curriculum, teaching and learning materials in formal and informal curricula. | No review of national curriculum, teaching and learning materials was funded under the TEVET Fund due to non-availability of funds for the activity. |
| 2 | Teacher Education | To increase the number of qualified and competent teachers in schools/ TEVET institutions. | Expand alternative modes of teacher education. | No Lecturers, Instructors and institutional managers were sponsored for further training under TEVET Fund due to non-availability of funds for the activity. |
| | | | Increase training opportunities for teachers at all levels and more especially in various subjects especially mathematics, science and technology. | |
| 3 | Infrastructure Development | To expand and improve infrastructure. | Establish and rehabilitate infrastructure in educational institutions. | No infrastructure was rehabilitated under the TEVET Fund due to non-availability of funds for the activity. |
| | | | Improve facilities for learners with special education needs | No facilities for learners with special education needs were improved. |
| 4 | Adult Literacy | To increase Adult literacy levels. | Provide school furniture and equipment. | No Training equipment was purchased for the training institutions under the TEVET Fund due to non-availability of funds for the activity. |
| | | | Link adult literacy programmes to higher education and skills development programmes. | The TEVET Fund is not facilitating for the linkage of adult literacy to skills development centres due to non-availability of funds for the activity. |

| No. | Programmes | Objectives | Strategies | TEVET Intervention | Fund |
|-----|----------------------------------|--|--|---|------|
| 5 | Basic Skills Education and TEVET | To increase efficiency and equitable access to quality basic skills and TEVET. | Provide alternative modes of basic skills and TEVET delivery including ICT. | TEVET Fund is providing financing for training of Youth SMEs and those out of school in Basic Skills. | |
| | | | <p>Promote the participation of non-public training providers in the delivery of TEVET.</p> <p>Promote participation of women especially in technical programmes.</p> <p>Promote participation of Learners with special education needs in vocational skills training.</p> <p>Integrate entrepreneurship and medium and small enterprise development (MSME) into basic skills and TEVET.</p> | <p>TEVET Fund is accessed by 21 Training Providers.</p> <p>There is participation of women in the programs supported.</p> <p>There was participation of Learners with special needs in vocational skills training.</p> <p>Entrepreneurship training and medium and small enterprise development (MSME) was integrated into the curriculum for all programmes, the targeted beneficiaries were SMEs.</p> | |
| | | | Promote collaboration with private sector as a way of improving link between training and labour market requirements. | There is evidence of collaboration with private (Informal) sector as a way of improving links between training and labour market skills requirements, in the training needs analysis conducted by the training Providers | |

7.4.8 Highlights of the achievements.

| Description of Window | Area of Intervention | Training Course | Target Enrolment 2015 | Actual Enrolment 2016 |
|--|----------------------|--|-----------------------|-----------------------|
| Window 3: Training for the Micro and Small Enterprises and the Informal Sector | Skills Training | Power Electrical | 250 | |
| | | Metal Fabrication and Welding | 125 | |
| | | Plumbing and Sheet Metal | 80 | |
| | | Carpentry and Joinery | 135 | |
| | | Bricklaying and Plastering | 220 | |
| | | General Agriculture | 170 | |
| | | Pig production and Feed Formulation | 100 | |
| | | Poultry Production | 50 | |
| | | Diesel Mechanics – Hydraulics & Pneumatic maintenance and repair | 30 | |
| | | Design Cutting and Tailoring | 175 | |
| | | Food Production | 85 | |
| | | Automotive mechanics | 50 | |
| | | Domestic Refrigeration equipment | 30 | |
| | | Roofing and Upholstering | 20 | |
| | | Block moulding / Manufacturing and paving | 25 | |
| | | Horticulture / Vegetable growing | 40 | |
| | | Field crops production | 40 | |
| | | TOTAL | 1,625 | |

The Africa Development Bank (AfDB) through Support to Science and Technology Project (SSTEP) financed TEVET Fund activities under Window No. 3. As a result of that support, the Authority was able to sign training contracts with Training Providers during the third quarter of the year 2016.

In the fourth quarter of the year, TEVET Fund invitations were made to all TEVET Institutions registered by the Authority, for bids to finance training programmes in support of SME and Informal Sector training under Window No. 3. One hundred and ninety nine (199) bids for training programmes were received from Forty three (43) TEVET Institutions. The evaluation of the bids was scheduled for the first quarter of 2017.

7.4.9 Section B-Financial Report

The following is a summary of the disbursements made by the TEVET Fund for the period from 1st January 2016 to 31st December, 2016.

5.0 Summary of SSTEP Disbursements for Window 3

| S/n | Funding Window | Planned Disbursements as per SLA | Actual Disbursements | Variance | Reasons for Variances |
|-----|---------------------------------------|----------------------------------|----------------------|-------------------|--|
| 1. | SME/Informal Sector training Window 3 | 2,536,500.00 | 1,902,375 | 634,125.00 | Contractual obligations yet to be paid as contracts are still on-going as at 31 st December 2016. |
| | TOTAL | 2,536,500.00 | 1,902,375 | 634,125.00 | |

7.5.1 Summary of Disbursements per Institution

| No. | Name of Institution | Name of Proposed Training Program | Target Group | Duration | Cost per Student | Number of Trainees | Contract Value | Advance Payment | Retention |
|-----|---|--|--|----------|------------------|--------------------|----------------|-----------------|-----------|
| 1 | Chipata Trades Training Institute | Bricklaying & Plastering and Roofing | Unemployed and youths entrepreneurs needing upskilling in bricklaying & plastering and roofing | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 2 | Chipata Trades Training Institute | Poultry production and management | entrepreneurs and Out of school or unemployed youths | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 3 | Chisangwa Youth Resource Centre | General Agriculture at trade test level 3 | Out of school and Unemployed youths | 24 weeks | 1,200 | 75 | 90,000 | 67,500 | 22,500 |
| 4 | Kolelawaka Skills Training Centre | Design Cutting and Tailoring | Out of school and Unemployed youths | 12 weeks | 1,200 | 20 | 24,000 | 18,000 | 6,000 |
| 5 | Kitwe Trades School | Domestic House wiring | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 6 | Kitwe Trades School | Upgrading of Welding Skills | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 7 | Mongu Trades Training Institute | Power electrical | Out of school, Unemployed, youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 8 | Mongu Trades Training Institute | Bricklaying & Plastering | Out of school, Unemployed, youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 9 | Mongu Trades Training Institute | General Agriculture | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 10 | Mongu Trades Training Institute | Automotive Mechanics | Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 11 | Mufumbwe Youth Resource Centre | General Agriculture | Out of school, Unemployed, youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 25 | 30,000 | 22,500 | 7,500 |
| 12 | Mufumbwe Youth Resource Centre | Power electrical | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 25 | 30,000 | 22,500 | 7,500 |
| 13 | Kaoma Trades Training Centre | Poultry production and management | Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 14 | Kaoma Trades Training Centre | Horticulture / Vegetable production | Out of school, Unemployed, youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 15 | Kaoma Trades Training Centre | Bricklaying & Plastering | Out of school, Unemployed, youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 16 | Northern Technical College (NORTEC) | Power Electrical | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 17 | Northern Technical College (NORTEC) | Diesel Mechanics - Hydraulics & Pneumatic Maintenance and Repair | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 18 | Northern Technical College (NORTEC) | Domestic Refrigeration Equipment | Out of school and Unemployed youths | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 19 | Northern Technical College (NORTEC) | Welding Technology | Out of school and Unemployed youths | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 20 | SOS Village Vocational Training Centre | Domestic house wiring skills | entrepreneurs, Out of school and Unemployed youths | 12 weeks | 1,200 | 20 | 24,000 | 18,000 | 6,000 |
| 21 | Mwinilunga Trades Training Institute | Carpentry and Joinery | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 22 | Mwinilunga Trades Training Institute | Bricklaying and Plastering | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 23 | National Vocational and Rehabilitation Centre | General Agriculture | Disabled and able bodied entrepreneurs needing skills | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 24 | National Vocational and Rehabilitation Centre | Metal Fabrication / Welding | Disabled and able bodied entrepreneurs needing skills | 12 weeks | 1,700 | 40 | 68,000 | 51,000 | 17,000 |
| 25 | Ukwimi Trades Training Institute | Pig production and management and Feed Formulation | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 40 | 68,000 | 51,000 | 17,000 |
| 26 | Ukwimi Trades Training Institute | Plumbing and Sheet metal | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 27 | Ukwimi Trades Training Institute | Domestic House wiring | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 28 | Ukwimi Trades Training Institute | Bricklaying and Plastering | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 29 | Chiyota Youth Resource Centre | Carpentry and Joinery | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 30 | 36,000 | 27,000 | 9,000 |

| No. | Name of Institution | Name of Proposed Training Program | Target Group | Duration | Cost per Student | Number of Trainees | Contract Value | Advance Payment | Retention |
|-----|---|---|---|----------|------------------|--------------------|----------------|-----------------|-----------|
| 30 | Chiyota Youth Resource Centre | Design Cutting and Tailoring | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 30 | 36,000 | 27,000 | 9,000 |
| 31 | Chiyota Youth Resource Centre | Bricklaying and Plastering | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 30 | 36,000 | 27,000 | 9,000 |
| 32 | Ngungu Youth Resource Centre | Food Production | Out of school and Unemployed youths | 12 weeks | 1,200 | 30 | 36,000 | 27,000 | 9,000 |
| 33 | Ngungu Youth Resource Centre | Design Cutting and Tailoring | Out of school and Unemployed youths | 12 weeks | 1,200 | 30 | 36,000 | 27,000 | 9,000 |
| 34 | Lusaka Youth Resource Centre | Metal Fabrication | Out of school and Unemployed youths | 12 weeks | 1,200 | 25 | 30,000 | 22,500 | 7,500 |
| 35 | Lusaka Youth Resource Centre | Food Production | Out of school and Unemployed youths | 12 weeks | 1,200 | 25 | 30,000 | 22,500 | 7,500 |
| 36 | Lusaka Youth Resource Centre | Domestic House wiring | Out of school and Unemployed youths | 12 weeks | 1,200 | 25 | 30,000 | 22,500 | 7,500 |
| 37 | Solwezi Trades Training Institute | Domestic House wiring | Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 38 | Solwezi Trades Training Institute | Roofing & Upholstering | Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 39 | Solwezi Trades Training Institute | Metal Fabrication | Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 40 | Ndola Polytechnic | Design Cutting and Tailoring | Out of school and Unemployed youths | 12 weeks | 1,200 | 20 | 24,000 | 18,000 | 6,000 |
| 41 | Craw Hammer Trades School | Design Cutting and Tailoring | Out of school and Unemployed youths | 12 weeks | 1,200 | 25 | 30,000 | 22,500 | 7,500 |
| 42 | Craw Hammer Trades School | Carpentry and Joinery | Out of school and Unemployed youths | 13 weeks | 1,200 | 25 | 30,000 | 22,500 | 7,500 |
| 43 | Livingstone Institute of Business and Engineering Studies (LIBES) | Block Moulding / Manufacturing and paving | Out of school, Unemployed and youths entrepreneurs | 12 weeks | 1,700 | 25 | 42,500 | 31,875 | 10,625 |
| 44 | Mansa Trades Training Institute | Horticulture / Vegetable production | Out of school / Unemployed youths and entrepreneurs needing reskilling. | 12 weeks | 1,700 | 40 | 68,000 | 51,000 | 17,000 |
| 45 | Kaoma Youth Resource Centre | Carpentry and Joinery | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 20 | 24,000 | 18,000 | 6,000 |
| 46 | Mansa Trades Training Institute | Pig production and management | Out of school, Unemployed and youths entrepreneurs | 12 weeks | 1,700 | 40 | 68,000 | 51,000 | 17,000 |
| 47 | Kaoma Youth Resource Centre | Bricklaying & Plastering | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 20 | 24,000 | 18,000 | 6,000 |
| 48 | Kaoma Youth Resource Centre | General Agriculture | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,200 | 20 | 24,000 | 18,000 | 6,000 |
| 49 | Kaoma Youth Resource Centre | Design Cutting and Tailoring | Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 50 | Mansa Trades Training Institute | Field crops Production | Out of school and Unemployed youths | 12 weeks | 1,700 | 30 | 68,000 | 51,000 | 17,000 |
| 51 | Mansa Trades Training Institute | Poultry production and management | Entrepreneurs, Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 52 | Mansa Trades Training Institute | Bricklaying & Plastering | Out of school and Unemployed youths | 12 weeks | 1,700 | 30 | 68,000 | 51,000 | 17,000 |
| 53 | Livingstone Institute of Business and Engineering Studies (LIBES) | Plumbing and Sheet metal | Out of school and Unemployed youths | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 54 | Mansa Trades Training Institute | Food Production | Out of school, Unemployed and youths Entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 55 | Livingstone Institute of Business and Engineering Studies (LIBES) | Metal Fabrication | Youths Entrepreneurs needing up or re-skilling | 12 weeks | 1,700 | 20 | 34,000 | 25,500 | 8,500 |
| 56 | Mansa Trades Training Institute | Plumbing and Sheet metal | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 57 | Mansa Trades Training Institute | Automotive Mechanics | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 58 | Mansa Trades Training Institute | Design Cutting and Tailoring | Out of school, Unemployed and youths entrepreneurs needing re-skilling | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 59 | Mansa Trades Training Institute | Electrical Installations | Out of school and Unemployed youths | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| 60 | Mansa Trades Training Institute | Carpentry and Joinery | Out of school and Unemployed youths | 12 weeks | 1,700 | 30 | 51,000 | 38,250 | 12,750 |
| | | | | | | | | | - |
| | Total | | | | | 1625 | 2,536,500 | 1,902,375 | 634,125 |

8.0 Outlook for 2017

The attainment of Zambia's development agenda articulated in the national vision 2030 requires human capital characteristic of a middle-income country. The human capital should possess appropriate mindsets, attributes, skills and attitudes that drive 2030 national goals. One of the focus areas of the Vision 2030 thus has human development, mostly skills development for youth. The human capital and skills development strategies seek to align national and sectorial and policies towards increasing access, efficiency, improving labour productivity, equity education at different levels and spread of skilled labour within and across sectors. They strategic interventions seek to provide the critical skills needed for the economy and reduce youth unemployment. Accordingly, TEVETA will be implementing a new Strategic Plan for 2017 – 2019. The Strategic Plan will seek to meet skills requirements of the Zambian economy. It will be aligned to the Government's desire to create an atmosphere where sectors will work together simultaneously to resolve developmental challenges such as youth unemployment and high levels of poverty, which entails the youth embracing innovation and entrepreneurship, advanced technologies and actively participating in the economy.

The Strategic Plan will be prepared to ensure that the TEVET system is developed and primed to: a) provide quality and timely career information and/or learning-by-doing experiences so as to motivate and attract Career Information seekers and Career Explorers of different age groups to the TEVET learning experience; b) instil mind-sets and abilities for world class standard skills excellence, productivity innovation and leadership in learners, trainers and industry skills experts, by sourcing and domesticating international skills standards pertaining to technology, entrepreneurship and/or leadership, into value chain specific district level economic activities, using the TEVET system; c) instil mind-sets and abilities in learners for “internationally competitive producer and supplier careers” to public and/or private sector procurement systems, by using public and/or private sector “reserved procurement schemes”, and Learn-Work-Earn – Play and Ethical (LWEPEP) learning systems, to simulate authentic industrial and/or commercial workplace experiences within TEVET learning environments; d) instil entrepreneurial industrialist career mind-sets and abilities in learners and trainers using Science, Technology, Engineering, Mathematics and Learning (STEMEL) based learning systems for value chains associated with a district's high impact potential comparative advantages relative to regional trade agricultural potential, natural resource endowments, regional trade and/or transport corridor positioning, and/or existing or potential SADC and East Africa region tourism circuit positioning; e) provide standards and/or guidelines based on international best practice, to enable smooth Labour market first time entry or re-entry for TEVET graduates transitioning as interns to pursue one or both of the following career pathways: i) salaried worker career pathway; and ii) entrepreneur/Employer career pathway.

Alternative ways for sustainable financing of TEVET will be explored through national and/or sector based skills development levies; reserved public and/or private sector institution procurement schemes for TEVET Learner and/or Intern cooperative enterprises, premised on the principle of: “Learn, Work, Earn, Play and Ethical Practice (LWEPEP)”; village or urban community based traditional based collaborative financing models such as “Ichilimba”; inclusion of matching grant facility using say TEVET Fund resources could be used to stimulate this method of TEVET financing; and Tool Box Loan schemes premised on the principle of: “Learn, Work, and Earn”. Furthermore, use of TEVET institution based Entrepreneurship and Investment skills clubs for anchoring periodically held commodity trading markets for goods produced by local community will be utilised.

9 Financial Statements

Financial Statements

For the year ended 31st December 2016

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

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TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

MANAGEMENT AND CORPORATE DATA

Board of Directors

| Name | Position | Institution |
|-------------------------|------------------|--|
| Dr Francis M. Ndilila | Chairperson | ZACCI |
| Dr Henry M. Mwenda | Vice Chairperson | UNZA |
| Mr Harrington Chibanda | Member | ZFE |
| Dr Liane M. Imakando | Member | Other |
| Br Dr Charles S. Kabeta | Member | Catholic Secretariat |
| Mr Elaston Njovu | Member | ZCTU |
| Ms Patience Sakuringwa | Member | ZACSMBA |
| Mrs Peggy Mlewa | Member | Ministry of Labour and Social Security |
| Dr Alfred Sumani | Member | NSTC |
| Permanent Secretary | Member | Ministry of Higher Education |
| Permanent Secretary | Member | Ministry of General Education |
| Mr David C Chakonta | Board Secretary | TEVETA |

Senior Management

| | |
|----------------------------|---|
| Mr David C Chakonta | Director General |
| Mr Phillip Mubanga | Director Finance and Administration |
| Mr Orphan Hachinene | Director Development |
| Mr Cleophas Takaiza | Director Training Standards |
| Mrs Catherine M Kanyenshya | Director Assessments and Qualifications |

Bankers

Citi Bank Zambia Limited
 Stanbic Bank Zambia Limited
 Zambia National Commercial Bank Plc
 Banc ABC Zambia Limited

Auditors

Newton Lungu and Associates, Chartered Accountants

Registered Office

Plot 4751, Birdcage Walk Longacres Private Bag RW 16X,

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS

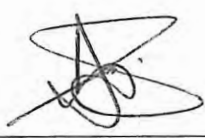
The Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority and of the surplus or deficit for the year.

In the opinion of the directors:-

- (a) The Statement of Comprehensive Income is drawn up so as to give a true and fair view of the surplus for the year ended 31st December 2016;
- (b) The Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31st December 2016;
- (c) At the date of these statements, there were reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- (d) The financial statements have been prepared in accordance with the International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998, the TEVET (Amendment) Act No.11 of 2005 and Public Finance Act of 2004.

The financial statements on pages 6 to 21 were approved by the Board at the meeting held on 13th April 2017 and signed on its behalf by:

Signature: 
Board Chairperson

Signature: 
Board Secretary

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

OPINION

We have audited the financial statements of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) for the year ended 31st December 2016 set out on page 6 to 21. These financial statements comprise the statement of financial position as at 31st December 2016, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31st December 2016 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No.13 of 1998 and the Public Finance Act of 2004.

BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities. We are independent of the Authority in accordance with the requirements of the Technical Education, Vocational and Entrepreneurship Training Act No.13 of 1998 and Public Finance Act of 2004, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for the preparation and fair presentation of financial statements in accordance with the International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No.13 of 1998. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Newton Lungu & Associates

Chartered Accountants & Management Consultants

3rd Floor, Premium House, Independence Avenue, P.O. Box 31414, Lusaka, Zambia

Tel 0211235390 / 0211232481; Cell 0966 750495

Emails: nla@newtonlungu.com; mk@newtonlungu.com; Website: <http://newtonlungu.com>

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the auditors' judgement, including the assessment of risk of material misstatements whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Authority's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

Newton Lungu & Associates

NEWTON LUNGU AND ASSOCIATES
CHARTERED ACCOUNTANTS

[Signature]

.....
Newton A Lungu (AUD/F000031)
Managing Partner

22-05-2017

Date

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)**

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2016

| | NOTES | 2016 ZMW | 2015 ZMW |
|---|-------------|-------------------------|-------------------------|
| Income | 2.3 | <u>27,028,060</u> | <u>23,375,882</u> |
| Expenditure | | | |
| Direct Expenses | Appendix II | (8,429,392) | (10,446,215) |
| Administration Expenses | Appendix II | <u>(16,020,871)</u> | <u>(13,896,106)</u> |
| TOTAL Expenses | | <u>(24,450,262)</u> | <u>(24,342,321)</u> |
| Surplus/(Deficit) of Income over Expenditure | 2.3 | <u><u>2,577,798</u></u> | <u><u>(966,439)</u></u> |

TEVETA
Technical Education, Vocational and
Entrepreneurship Training Authority

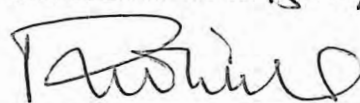
**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)**

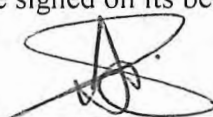
STATEMENT OF FINANCIAL POSITION

As at 31st December, 2016

| | NOTES | 2016 ZMW | 2015 ZMW |
|---|-------|--------------------------|--------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Property, Plant and Equipment | 5 | <u>30,149,148</u> | <u>29,676,765</u> |
| Current Assets | | | |
| Inventories | 2.6 | 369,393 | 444,383 |
| Receivables | 7 | 2,340,067 | 2,388,978 |
| Cash and Cash Equivalents | 8 | <u>5,031,441</u> | <u>2,178,757</u> |
| | | <u>7,740,901</u> | <u>5,012,118</u> |
| TOTAL ASSETS | | <u><u>37,890,049</u></u> | <u><u>34,688,883</u></u> |
| CAPITAL RESERVES AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Reserves | | 4,618,487 | 2,040,689 |
| Capital Grant | 10 | <u>27,243,776</u> | <u>27,243,776</u> |
| Non Current Liabilities | | <u>31,862,263</u> | <u>29,284,465</u> |
| Current Liabilities | | | |
| Other Payables and Short Term Provisions | 9 | <u>6,027,786</u> | <u>5,404,418</u> |
| TOTAL CAPITAL RESERVES AND LIABILITIES | | <u><u>37,890,049</u></u> | <u><u>34,688,883</u></u> |

The responsibility of the Authority's directors with regard to the preparation of the financial statements is set out on page 3. The financial statements on pages 6 to 21 were approved by the Board of Directors on 13th April 2017..... and were signed on its behalf by:


Board Chairperson


Board Secretary

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2016

| | Reserves | Capital Grant | Total |
|-----------------------|------------------|-------------------|-------------------|
| | ZMW | ZMW | ZMW |
| Balance at 01.01.2016 | 2,040,689 | 27,243,777 | 29,284,466 |
| Surplus for the year | 2,577,798 | - | 2,577,798 |
| Balance at 31.12.2016 | <u>4,618,487</u> | <u>27,243,777</u> | <u>31,862,264</u> |



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF CASH FLOWS

For the year ended 31st December, 2016

| | Notes | 2016 ZMW | 2015 ZMW |
|---|-------|--------------------|---------------------|
| CASHFLOW FROM OPERATING ACTIVITIES | | | |
| Surplus/(Deficit) of Income over Expenditure | 2.3 | 2,577,798 | (966,439) |
| Adjustment for Non Cash Items | | | |
| Interest Income | 2.3 | (32,934) | (198) |
| Depreciation | 5 | 1,236,279 | 1,066,115 |
| Profit on Disposal of Assets | 2.3 | (9,225) | - |
| | | <u>1,194,121</u> | <u>1,065,917</u> |
| Changes in Working Capital | | | |
| Decrease/(Increase) in Inventories | | 74,991 | (57,081) |
| Decrease/(increase) in Receivables | | 48,911 | (268,650) |
| Increase/(Decrease) in other Payables | | 623,368 | 2,025,202 |
| | | <u>747,270</u> | <u>1,699,471</u> |
| Net Cash Inflows from Operations | | <u>4,519,188</u> | <u>1,798,949</u> |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Interest Income | 2.3 | 32,934 | 198 |
| Purchase of Property, Plant and Equipment | 5 | (1,708,646) | (15,026,561) |
| Proceeds from Disposal of Assets | 2.3 | 9,225 | - |
| Net Cash Outflows on Investing Activities | | <u>(1,666,487)</u> | <u>(15,026,363)</u> |
| CASHFLOW FROM FINANCING ACTIVITIES | | | |
| Increase in Capital Grant | | - | 14,180,511 |
| Increase in Cash and Cash Equivalents | | <u>2,852,701</u> | <u>953,097</u> |
| Analysis of Changes in Cash and Cash Equivalents | | | |
| Cash and Cash Equivalents at the beginning of the year | | 2,178,757 | 1,225,660 |
| Increase during the year | | 2,852,684 | 953,097 |
| Cash and Cash Equivalents at the end of the year | | <u>5,031,441</u> | <u>2,178,757</u> |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

1. Establishment

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) was established under the Technical Education Vocational Entrepreneurship Training (TEVET) Act No. 13 of 1998, as amended by the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. Its general function is to regulate, co-ordinate and monitor technical education, vocational and entrepreneurship training in consultation with industry, employers, employees and other stakeholders.

2. Significant Accounting Policies

2.1 Basis of Accounting

These financial statements of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) established with the terms of the Technical Education, Vocational Entrepreneurship Training Authority (TEVET) Act No. 13 of 1998, as amended by the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005 for the period 1st January 2016 to 31st December, 2016, comply with Generally Accepted Accounting Practices (GAAP) and the requirements of International Financial Reporting Standards (IFRS) and with the Public Finance Act of 2004. The financial statements are prepared under the historic cost convention and have been prepared in accordance with applicable accounting standards.

2.2 Functional and presentation currency

These financial statements are presented in Zambian Kwacha.

2.3 Income

Government grants are recognised as income over the periods necessary to match them with the related costs they are intended to compensate on a systematic basis. Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income, which is recognised as income on a systematic and rational basis over the useful life of the asset.

The major reason for the surplus in the period under review was due to the unexpended TEVET grant income that was received towards the end of the financial year, and invitations for bids for the TEVET grant programmes were done in December 2016, awarding of contracts and disbursements were scheduled for the first quarter of 2017.

The following amounts were received for each component of the TEVETA activities.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

| | 2016 ZMW | 2015 ZMW |
|--------------------------|-------------------|-------------------|
| INCOME | | |
| Accreditaion Fees | 1,505,200 | 827,150 |
| Bank Interest | 32,934 | 198 |
| Examination Fees | 11,315,328 | 9,396,685 |
| GRZ Grants-Examinations | 2,500,000 | 2,500,000 |
| GRZ Operations Grant | 8,364,638 | 8,364,636 |
| GRZ Secondary School VET | 156,800 | 182,400 |
| Other Income | 86,578 | 316,123 |
| Proceeds from Disposal | 9,225 | - |
| Registration Fees | 932,450 | 388,690 |
| TEVET Fund Grant - GRZ | 2,124,908 | 1,400,000 |
| TOTAL | 27,028,060 | 23,375,882 |

2.4 Property, plant and equipment and depreciation

Depreciation is provided on a straight-line basis at annual rates estimated to write off the cost of each asset over the period of their expected useful lives at the following annual rates:

| | |
|------------------------|-----|
| Land and Buildings | 02% |
| Motor Vehicles | 25% |
| Furniture and Fittings | 20% |
| Office Equipment | 25% |
| Computer Equipment | 25% |
| Computer Software | 25% |

2.5 Assets impairment

Tangible fixed assets and other assets are reviewed for impairment when events or changes in the economic circumstances indicate that the carrying amount of such assets may not be recoverable by the Authority. An estimate of the future discounted net cash flows of the related asset over the remaining useful life is used to determine whether the assets are recoverable and to measure any impairment by reference to fair value. Fair value is generally estimated using the Authority's expectation of discounted net cashflows.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

2.6 Inventories

Inventories consist of consumables. Inventories are stated in the Statement of Financial Position at the lower of cost and net realisable value. Cost is calculated using the weighted average method and includes those costs that have been incurred in bringing the inventories to their present location and condition. Cost is determined by First in First out method. Net realisable value takes into account all directly related costs to be incurred in selling the inventories.

| | 2016 ZMW | 2015 ZMW |
|-----------|----------------|----------------|
| Inventory | <u>369,393</u> | <u>444,383</u> |

2.7 Financial Assets

The Authority's principal financial assets are staff indebtedness and other receivables. These are stated at their nominal value reduced by appropriate allowances for estimated irrecoverable amounts.

2.8 Financial liabilities

The Authority's principal financial liabilities are amounts due to employees, trade and other payables. Financial liabilities are classified according to the substance of the contractual agreements entered into. Amounts due to employees, trade and other payables are stated at their nominal value.

a) Liquidity risk

The Authority is not believed to be exposed to significant liquidity risk, being inability to sell financial assets quickly at close to their fair value.

b) Cash flow risk

The Authority is not exposed to the risk that future cash flows associated with monetary financial instruments will fluctuate in amounts. The Authority had fixed deposit at close of the year 2016.

2.9 Adoption of new and revised standards

IFRS 8 Operating Segments

The IFRS specifies how an entity should report information about its operating segments in annual financial statements and requires an entity to report selected information about its operating segments in interim financial reports. It also sets out requirements for related disclosures about products and services, geographical areas and major customers. All operating segments used by the Authority meet the definition of a reportable segment under IFRS 8.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

This standard is not expected to have an impact on the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA).

IAS 23 Borrowing Costs

Before the Standard was revised entities had the option to recognise or expense borrowing costs relating to qualifying assets. This option is no longer available.

The revised IAS 23 now requires that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are recognised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. The standard was also revised to exclude certain assets as qualifying assets.

IAS 1 Presentation of Financial Statements (Revised)

The main changes are as follows:

- Change of the titles of primary statements. The revised Standard replaces the term 'Balance Sheet' with 'Statement of financial position' and 'Cash flow statement' with 'Statement of Cash Flows'.
- Separation of items previously disclosed in the statement of changes in equity between 'other comprehensive income' and 'statement of changes in equity' in order to separate owner and non-owner changes in equity.
- Statement of comprehensive income to include profit or loss for the period (previously the income statement) plus all income and expense items that go directly to equity i.e. items that have by-passed the income statement but have nothing to do with the owners.
- Revised Standard requires dividends recognised as distributions to owners and related amounts per share to be presented in the statement of changes in equity or in the notes. The presentation of such disclosures in the statement of comprehensive income is not permitted.

IFRIC 12 Service Concession Arrangements

This interpretation gives guidance on the accounting by operators for public-to-private service concession arrangements.

It applies to public-to-private service concession arrangements if:

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

The interpretation does not specify the accounting for infrastructure that was held and recognised as property, plant and equipment by the operator before entering the service arrangement. The recognition requirements of IFRS (set out in IAS 16) apply to such infrastructure. This Interpretation does not specify the accounting by grantors.

This standard is not expected to have any impact on TEVETA.

IFRIC 14 IAS 19 – Defined Benefit Asset, Minimum Funding Requirements and their interaction

This interpretation addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability.

This standard is not expected to have any impact on TEVETA.

2.10 Provisions

Provisions are recognised when the Authority has a present legal and constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.11 Revaluation reserve

The surplus arising from the revaluation of tangible assets is credited to a non – distributable Capital Reserve.

2.12 Capital grants

Capital grants represent the value of assets vested in the Authority by foreign agencies or grants from government without charge to the Authority. Capital grants are deferred and credited to the income and expenditure statement in equal installments over the expected useful lives of the related assets.

2.13 Transaction of foreign currencies

Transactions denominated in foreign currencies are translated into Zambian Kwacha at the rates of exchange ruling on the date of the transaction.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

Assets and liabilities denominated in foreign currencies are translated in Zambian Kwacha at the rates of exchange ruling at the Statement of Financial Position date. Gains and losses arising on translation are included in the income and expenditure statement in the year in which they arise.

2.14 Gratuity Earnings

On 1 February 2000, the National Pension Scheme Authority (NAPSA) came into effect. Membership, with exception of expatriate employees, is compulsory and monthly contributions by both employer and employees are made.

The Authority's employees are entitled to end of contract gratuity. Provision is made for past service on the basis of past conditions and earnings.

3. Surplus of income over expenditure for the year

Surplus of income over expenditure for the year is stated after charging:

| | 2016 | 2015 |
|-------------------------|-----------|-----------|
| | ZMW | ZMW |
| Audit Fees | 73,100 | 80,080 |
| Gratuities | 1,922,989 | 1,086,854 |
| Leave | 419,236 | 334,293 |
| Depreciation | 1,236,279 | 1,066,115 |
| Bad Debts | 286,107 | 513,305 |
| General Expenses | - | 140,162 |
| Board Fees and Expenses | 812,271 | 697,608 |

4. Taxation

The Technical Education, Vocational and Entrepreneurship Training Authority is a statutory body exempt from corporate tax.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

| 5. Property, Plant and Equipment | | | | | | | | | |
|----------------------------------|--------------------|----------------|------------------|------------------------|--------------------|-------------------|--------------------------|------------|--|
| DETAILS | LAND AND BUILDINGS | MOTOR VEHICLES | OFFICE EQUIPMENT | FURNITURE AND FITTINGS | COMPUTER EQUIPMENT | COMPUTER SOFTWARE | CAPITAL WORK IN PROGRESS | TOTAL | |
| COST | ZMW | ZMW | ZMW | ZMW | ZMW | ZMW | ZMW | ZMW | |
| Balance at 01.01.2015 | 111,608 | 2,918,089 | 1,355,733 | 684,893 | 729,929 | 446,135 | 12,890,976 | 19,137,363 | |
| Additions | 237,009 | 464,000 | 13,900 | 131,142 | - | - | 14,180,511 | 15,026,561 | |
| Disposals | (27,511) | - | - | - | - | - | 27,511 | - | |
| Balance at 31.12.2015 | 321,106 | 3,382,089 | 1,369,633 | 816,035 | 729,929 | 446,135 | 27,098,998 | 34,163,924 | |
| DEPRECIATION | | | | | | | | | |
| Balance at 01.01.2015 | 8,700 | 1,397,777 | 693,439 | 499,449 | 514,699 | 306,980 | - | 3,421,044 | |
| Charges for the Year | 15,653 | 529,142 | 263,227 | 94,700 | 105,491 | 57,902 | - | 1,066,115 | |
| Balance at 31.12.2015 | 24,353 | 1,926,919 | 956,666 | 594,149 | 620,190 | 364,882 | - | 4,487,159 | |
| NET BOOK VALUE | | | | | | | | | |
| Balance at 31.12.2015 | 296,753 | 1,455,169 | 412,967 | 221,886 | 109,739 | 81,253 | 27,098,998 | 29,676,765 | |
| Balance at 31.12.2014 | 102,908 | 1,520,312 | 662,294 | 185,444 | 215,230 | 139,155 | 12,890,976 | 15,716,319 | |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

| 5. Property, Plant and Equipment | | LAND | | MOTOR VEHICLES | | OFFICE EQUIPMENT | | FURNITURE AND FITTINGS | | COMPUTER EQUIPMENT | | COMPUTER SOFTWARE | | CAPITAL WORK IN PROGRESS | | TOTAL | |
|----------------------------------|--|----------------|--|------------------|--|------------------|--|------------------------|--|--------------------|--|-------------------|--|--------------------------|--|-------------------|--|
| DETAILS | | ZMW | | ZMW | | ZMW | | ZMW | | ZMW | | ZMW | | ZMW | | ZMW | |
| BUILDINGS | | | | | | | | | | | | | | | | | |
| COST | | | | | | | | | | | | | | | | | |
| Balance at 01.01.2016 | | 321,106 | | 3,382,089 | | 1,369,633 | | 816,035 | | 729,929 | | 446,135 | | 27,098,998 | | 34,163,925 | |
| Additions | | - | | 971,129 | | 223,463 | | 99,110 | | 309,654 | | 105,306 | | - | | 1,708,662 | |
| Disposals | | - | | (120,000) | | - | | - | | - | | - | | - | | (120,000) | |
| Balance at 31.12.2016 | | 321,106 | | 4,233,218 | | 1,593,096 | | 915,145 | | 1,039,583 | | 551,441 | | 27,098,998 | | 35,752,587 | |
| DEPRECIATION | | | | | | | | | | | | | | | | | |
| Balance at 01.01.2016 | | 24,353 | | 1,926,919 | | 956,666 | | 594,149 | | 620,190 | | 364,882 | | - | | 4,487,159 | |
| Charges for the year | | 6,422 | | 692,176 | | 252,626 | | 93,897 | | 140,064 | | 51,094 | | - | | 1,236,279 | |
| Depreciation on disposal | | - | | (120,000) | | - | | - | | - | | - | | - | | (120,000) | |
| Balance at 31.12.2016 | | 30,775 | | 2,499,095 | | 1,209,292 | | 688,046 | | 760,254 | | 415,976 | | - | | 5,603,438 | |
| NET BOOK VALUE | | | | | | | | | | | | | | | | | |
| Balance at 31.12.2016 | | 290,331 | | 1,734,124 | | 383,804 | | 227,099 | | 279,329 | | 135,465 | | 27,098,998 | | 30,149,149 | |
| Balance at 31.12.2015 | | 296,753 | | 1,455,169 | | 412,967 | | 221,886 | | 109,739 | | 81,253 | | 27,098,998 | | 29,676,765 | |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

6. Capital commitments

The Authority had capital commitments at 31st December 2016

- i. There was an order on Toyota Zambia limited.
- ii. Work in progress on the Annex Examinations building construction, although there was no certificate pending.

7. Receivables

Receivables principally comprise amounts receivable in respect of employee advances, miscellaneous receivables and prepaid amounts.

The directors consider that the carrying amount of receivables approximates their fair value.

The make up of the receivables at the statement of financial position date was as follows:

| | 2016 ZMW | 2015 ZMW |
|--------------------------|------------------|------------------|
| Trade Receivables | 1,177,029 | 1,068,011 |
| Revenue Grant Receivable | 905,386 | 697,053 |
| Staff Receivables | 257,652 | 564,606 |
| Prepayments | - | 59,308 |
| TOTAL | 2,340,067 | 2,388,978 |

Employees' loans and advances

Employee advances are considered to be non-derivative financial assets as they have fixed and determinable conditions attached to repayment, and are not quoted in an active market. No interest is charged on advances.

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP
TRAINING AUTHORITY (TEVETA)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

8. Cash and Cash Equivalents

| | 2016 | 2015 |
|---------------------------------|------------------|------------------|
| | ZMW | ZMW |
| Citi Bank -Main Account | 293,674 | 94,128 |
| Citi Bank -Construction Account | 111,510 | 111,530 |
| Citi Bank -Examinations | 172,250 | 19,830 |
| Stanbic - TEVET Fund | 256,170 | 852,649 |
| Stanbic - Fixed Deposit | 2,300,000 | - |
| ZANACO - Revenue Account | 158,412 | 95,646 |
| ZANACO - Fixed Deposit | 1,500,000 | - |
| Petty Cash | 3,209 | 137 |
| Banc ABC Examinations | 236,216 | 1,004,837 |
| TOTAL | 5,031,441 | 2,178,757 |

9. Other Payables and Short Term Provisions

Other payables principally comprise amounts outstanding in respect of employee related accruals, purchases and ongoing costs, as well as amounts accrued in respect of operating costs. The directors consider that the carrying amount of other payables approximates their fair value.

Deferred income is in respect of a grant from government for the construction of Examination Annex which commenced in 2014.

The makeup of the other payables at the statement of financial position date was as follows:

| | 2016 | 2015 |
|-------------------------------|------------------|------------------|
| | ZMW | ZMW |
| Employee Related Accruals | 3,599,577 | 3,007,828 |
| Local Suppliers | 725,236 | 578,949 |
| Payables and Accrued Expenses | 1,377,286 | 1,817,641 |
| Deferred Income | 325,687 | - |
| TOTAL | 6,027,786 | 5,404,418 |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

The break down of employee related accruals at the statement of financial position date was as follows:

| | 2016 ZMW | 2015 ZMW |
|--------------------------------------|------------------|------------------|
| Leave Pay | 496,929 | 427,520 |
| Gratuity | 1,248,691 | 981,657 |
| Medical Fees - Employee Contribution | 44,554 | 38,726 |
| Goldman Insurance | 170 | 2,158 |
| PAYE | 219,286 | 717,130 |
| NAPSA-Penalty | 217,524 | - |
| PAYE-Penalty | 1,372,423 | - |
| NAPSA | - | 260,915 |
| ZEDUPAD | - | 1,140 |
| Muvi TV | - | 3,064 |
| Contingent Liability | - | 522,307 |
| Stanchart Staff Loans | - | 46,293 |
| Stanbic Bank Loans | - | 6,919 |
| TOTAL | 3,599,577 | 3,007,828 |

10. Capital grant

Amounts recognised in the financial statements are determined as follows:

| | 2016 ZMW | 2015 ZMW |
|------------------------------|-------------|-------------|
| At the beginning of the year | 27,243,777 | 13,063,268 |
| Received during the year | - | 14,180,508 |
| Total at the end of the year | 27,243,777 | 27,243,777 |

11. Related party transactions

In the context of the Authority, related party transactions include any transactions made by any of the following:

- The Government of the Republic of Zambia
- The Board of Directors of the Authority
- Government ministries and parastatals.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2016

The transactions to be reported are those that affect the Authority in making financial and operating decisions.

Examples of such transactions include:

- Funding
- Investment
- Financial (loans)
- Procurement and investment contracts; and
- Disposal of assets

The Authority undertakes to disclose the nature of related party relationships, types of transactions necessary for the understanding of the annual financial statements.

Transactions

The effects of related party transactions on the results for the year are as follows:

| | ZMW 2016 | ZMW 2015 |
|-----------------------------|------------------|------------------|
| Government Funding received | <u>8,364,638</u> | <u>8,364,636</u> |

Compensation of key management

The remuneration of the Authority is determined by the directors, having regard to the Government funding received and market trends.

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP
TRAINING AUTHORITY (TEVETA)**

TEVET FUND – RECEIPTS AND PAYMENTS

For the year ended 31st December, 2016

Appendix I

| | 2016 ZMW | 2015 ZMW |
|---|------------------|------------------|
| Receipts | | |
| Opening Balance 01.01.2016 | 852,649 | 445,881 |
| TEVET Fund Grant - GRZ | <u>1,703,521</u> | <u>1,400,000</u> |
| Total Amount of Income | <u>2,556,170</u> | <u>1,845,881</u> |
| Payments | | |
| Direct Expenses | | |
| Window 3 : Investment and Development | <u>-</u> | <u>993,232</u> |
| | <u>-</u> | <u>993,232</u> |
| Administration Expenses | | |
| Monitoring and Evaluation | <u>-</u> | <u>-</u> |
| Closing Balance as at 31.12.2016 | <u>2,556,170</u> | <u>852,649</u> |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVETA-COMPREHENSIVE INCOME

For the year ended 31st December, 2016

Appendix II

| | 2016 ZMW | 2015 ZMW |
|---|-------------------|-------------------|
| INCOME | | |
| Accreditaion Fees | 1,505,200 | 827,150 |
| Bank Interest | 32,934 | 198 |
| Examination Fees | 11,315,328 | 9,396,685 |
| GRZ Grants-Examinations | 2,500,000 | 2,500,000 |
| GRZ Operations Grant | 8,364,638 | 8,364,636 |
| GRZ Secondary School VET | 156,800 | 182,400 |
| Other Income | 86,578 | 316,123 |
| Proceeds from Disposal | 9,225 | - |
| Registration Fees | 932,450 | 388,690 |
| TEVET Fund Grant | 2,124,908 | 1,400,000 |
| TOTAL | 27,028,060 | 23,375,882 |
| EXPENDITURE | | |
| Direct Expenses | | |
| Conduct and Administer Exams | 3,349,639 | 5,165,525 |
| Develop Accreditation Systems | - | 75,282 |
| Develop and Promote Synergies | 154,631 | 162,596 |
| Develop and Revision of Occupation Profile | 883,371 | 695,133 |
| Human Resource Development Plan | 1,096,353 | 1,269,543 |
| Improve Operational Efficiency of TEVETA | 1,082,758 | 259,818 |
| Improve Trade Testing Systems | 1,092,454 | 1,104,701 |
| Operationalise TEVET Fund | 93,760 | 1,138,024 |
| Promote and Implement Information, Education and Communication Strategy | 375,824 | 144,727 |
| Revenue, Registration, Accreditation Visits | - | - |
| TEVET Institutions Registered | 213,628 | 245,858 |
| Implement TQF to Improve TAQS | 48,567 | 46,170 |
| Training System Development | 38,408 | 138,838 |
| Total Direct Expenditure | 8,429,392 | 10,446,215 |

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP
TRAINING AUTHORITY (TEVETA)**

TEVETA-COMPREHENSIVE INCOME

For the year ended 31st December, 2016

Appendix II

| | | 2016 | 2015 |
|--|-------------|-------------------|-------------------|
| | | ZMW | ZMW |
| Administrative Expenses | Note | | |
| Adherence to Reporting Requirements | | - | 918,288 |
| Advertising | | - | 78,936 |
| Bad Debts | | 286,107 | 513,305 |
| Bank Charges | | 47,818 | 45,889 |
| Casual Wages | | - | 10,560 |
| Cleaning Expenses | | 44,313 | 48,759 |
| Computer Expenses | | 702 | 15,765 |
| Depreciation | | 1,236,279 | 1,066,115 |
| Electricity | | 50,250 | 28,499 |
| General Expenses | | 268,945 | 8,642 |
| General Expenses (BancABC) | | - | 140,162 |
| Insurance and Licenses | | 590,264 | 443,957 |
| Internet Charges | | 60,123 | 85,659 |
| Leave and Gratuity | | 2,296,135 | 1,421,146 |
| Local Travel | | - | 5,310 |
| Motor Vehicles Expenses | | 489,251 | 453,745 |
| Office Expenses | | 40,172 | 24,795 |
| Other Expenses | | 2,600 | 13,520 |
| Personal Emoluments | | 9,278,152 | 6,888,028 |
| Postage | | 27,797 | 29,529 |
| Repairs and Maintenance - General | | 130,772 | 74,839 |
| Repairs and Maintenance - Office Equipment | | 88,168 | 23,253 |
| Security | | 108,576 | 90,248 |
| Settling Allowance | | 14,542 | 49,650 |
| Staff Relocation Costs | | 219 | 13,520 |
| Staff Training | | - | 320,957 |
| Staff Uniforms | | - | 4,840 |
| Stationery and Consumables | | 706,277 | 592,418 |
| Stock Variance/Count Variance | | 1,362 | 11,496 |
| Subscriptions | | 14,262 | 9,844 |
| Telephone | | 237,784 | 246,544 |
| Water | | - | 364 |
| NAPSA Penalties | | - | 217,524 |
| Total | | 16,020,871 | 13,896,106 |
| TOTAL EXPENSES | | 24,450,262 | 24,342,321 |
| SURPLUS/(DEFICIT) | 2.3 | 2,577,798 | (966,439) |



