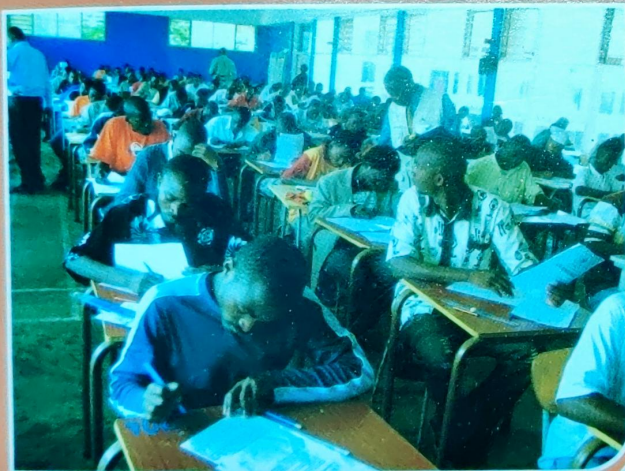


**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY**

**Annual Report
2006**



THE TECHNICAL EDUCATION, VOCATIONAL ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Annual Report 2006

The Technical Education, Vocational and
Entrepreneurship Training Authority
(TEVETA)
Birdcage Walk
Private Bag RW16X
Lusaka
ZAMBIA

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1. VISION AND MISSION

VISION

A World-class Technical Education, Vocational and Entrepreneurship Training (TEVET) System Contributing to Economic Development of Zambia

MISSION

In Support of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Policy of the Government of the Republic of Zambia, the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) will:

1. **Develop and maintain** a TEVET system that operates to internationally accepted standards;
 2. **Promote** efficient, effective and equitable TEVET delivery, through support services to Training Providers;
 3. **Source and optimize** the utilization of resources for TEVET;
 4. **Facilitate** improved interactions and communication between TEVET stakeholders;
- in order to contribute to the economic development of Zambia.

2. REGISTERED OFFICE

The Technical Education, Vocational and
Entrepreneurship Training Authority
(TEVETA)
Plot No. 4751
Birdcage Walk, Longacres
Private Bag RW16X
Lusaka.
ZAMBIA

Bankers:

- | | |
|---|--|
| (i) Citibank Zambia Limited Citibank House Cha Cha Cha Road Lusaka ZAMBIA | (ii) Standard Chartered Bank (Z) Plc Cairo Road Lusaka ZAMBIA |
|---|--|

- (iii) Stanbic Bank Zambia Limited
Woodgate House
Nairobi Place
Cairo Road
Lusaka
ZAMBIA

Auditors:

M.T Ncube & Associates
Chartered Accountants
Plot 201 Kasangula Road, Roma
P. O. Box 35550
Lusaka
ZAMBIA

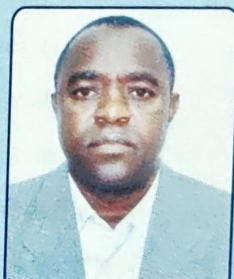
3. BOARD MEMBERS

| | | |
|--|---|--|
| Mr. M. D. Sichula CHAIRPERSON | - | Informal Sector and Small Scale Industry |
| Professor J. M. Mwenechanya VICE CHAIRPERSON | - | Engineering Institution of Zambia |
| Mr. S. Tembo | - | Zambia Congress of Trade Unions |
| Mr. W. Kalabo | - | Zambia Association of Chambers of Commerce and Industry |
| Permanent Secretary | - | Ministry of Science, Technology and Vocational Training |
| Permanent Secretary | - | Ministry of Education |
| Permanent Secretary | - | Ministry of Labour and Social Security |
| Permanent Secretary | - | Ministry of Youth, Sport and Child Development |
| Permanent Secretary | - | Ministry of Commerce, Trade and Industry |
| Permanent Secretary | - | Ministry of Community Development and Social Welfare |
| Dr. L. Siaminwe | - | University of Zambia |
| Dr. H. M. Mulenga | - | Copperbelt University |
| Mr. M. E. Nyathando | - | Zambia Federation of Employers |
| Mr. F. Ndhlovu | - | Financial Institutions |
| Mr. D. Chewe | - | Small Enterprise Development Board |
| Mrs. L. Lungu | - | Women Involved in Technical Education, Vocational and Entrepreneurship Training |
| Dr. M. Bull | - | Building Industry |
| Mr. F. Bantubonse | - | Mining Industry |
| Brother J. Meade | - | Religious Institutions |
| Ms. J. Muwo | - | Accountant |
| Ms. A. Ngoma | - | Legal Practitioner |
| Dr. P. K. Nkanza SECRETARY | - | Director General |

3.1 TEVETA BOARD



Mr. M. D. Sichula
CHAIRPERSON



Professor J. M. Mwenechanya
VICE CHAIRPERSON



Prof. J. M. Mwenechanya
Chairperson
Finance and
Administration
Committee



Mr. W. Kalabo
Chairperson
Technical
Committee



Dr. P. K. Nkanza
Secretary

3.2 COMMITTEES OF THE BOARD

Finance and Administration Committee

Professor J. M. Mwenechanya
Engineering Institution of Zambia
Chairperson

Mr. F. Ndhlovu
Financial Institutions

Permanent Secretary
Ministry of Science, Technology
and Vocational Training

Permanent Secretary
Ministry of Labour and Social Security

Mr. S. Tembo
Zambia Congress of Trade Unions

Ms. A. Ngoma
Legal Practitioner

Ms. J. Muwo
Accountant

Mrs. M. M. A. Chiyaba
Director, Finance and
Administration Division
TEVETA
Secretary

Technical Committee

Mr. W. Kalabo
Zambia Association of Chambers
of Commerce and Industry
Chairperson

Permanent Secretary
Ministry of Community
Development and Social Welfare

Permanent Secretary
Ministry of Commerce, Trade and
Industry

Mr. D. Chewe
Small Enterprises Development
Board

Mr. W. Ilunga
Engineering Institution of Zambia

Mr. F. Bantubonse
Chamber of Mines of Zambia

Dr. L. Siaminwe
University of Zambia

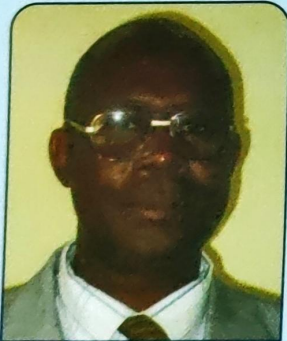
Mr. O. Hachinene
Director
Training Standards Division
TEVETA
Secretary (1)

Mr. D. Chakonta
Director
Development Division
TEVETA
Secretary (2)

4. TEVETA MANAGEMENT



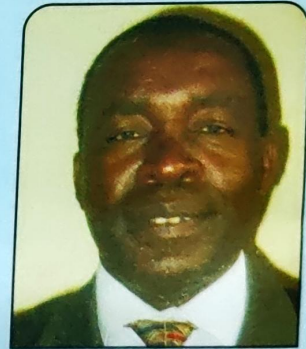
Dr. P. K. Nkanza
DIRECTOR GENERAL



Mr. O. Hachinene
DIRECTOR
Training
Standards
Division



Mrs. M. Chiyaba
DIRECTOR
Finance and
Administration
Division



Mr. D. C. Chakonta
DIRECTOR
Development
Division

5. CHAIRPERSON'S STATEMENT



Mr. M. Sichula
CHAIRPERSON

On behalf of the Board of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), and on my own behalf, I have the pleasure to present the Annual Report and Audited Accounts for the Year 2006.

2006 marked the sixth year of operations of the Authority, in the context of the Technical Education, Vocational and Entrepreneurship Training Act No.13 of 1998 and the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005.

During 2006, TEVETA continued to record significant progress towards the implementation of the policy of the Government of the Republic of Zambia to establish a TEVET System that will be responsive to labour market skills demands in both the formal and informal sectors. TEVETA continued to implement the Sector Skills Development Strategy (SSDS), aimed at creating sustainable linkages between TEVETA, Employer and Employee Organisations, representatives of the Informal/Small and Micro Enterprises Sector and Training Providers.

During the year, TEVETA registered three hundred and thirty-eight (338) training institutions throughout Zambia. The Authority continued to provide advisory and support services to all these institutions.

Particular emphasis was placed on advisory services for the improvement of training and financial management, particularly in relation to the TEVET Fund.

The institutional development of TEVETA continued to be supported by the Government of the Republic of Zambia, with the assistance of co-operating partners, in the context of the TEVET Development Programme.

The operations of the TEVET Fund, which begun in 2005, were strengthened through the TEVET Fund Unit in the Finance and Administration Division.

The Board expresses its gratitude to the Government of the Republic of Zambia and Co-operating partners for the continued support to the operations of TEVETA during the year.

A handwritten signature in black ink, appearing to read 'M. D. Sichula', with a long horizontal line extending from the bottom of the signature.

Mr. Maxwell D. Sichula
CHAIRPERSON
TEVETA BOARD

6. OPERATIONAL REVIEW BY THE DIRECTOR GENERAL

(a) MANDATE OF TEVETA

TEVETA is an institution created under the Technical Education, Vocational and Entrepreneurship Training Act (No. 13 of 1998), and amended by Act No. 11 of 2005. The Act provides that TEVETA shall:

- (a) administer and manage the Technical Education, Vocational and Entrepreneurship Training Fund;
- (b) advise the Minister on the development of the quality of human resources in Zambia through 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 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 and other services provided by the Authority;
- (m) award certificates to persons who succeed 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 the registration of an institution established or registered 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 education, vocational and entrepreneurship training;
- (s) determine the equivalencies of local and foreign examinations;
- (t) accredit and register trainers, examiners and assessors;
- (u) in conjunction with the Minister
 - (i) determine priority skills areas in technical education, vocational and entrepreneurship training for the purpose of enhancing social and economic development in Zambia; and
 - (ii) mobilize financial and material resources for the provision of technical education, vocational and entrepreneurship training; and
- (f) do all such things connected with or incidental to the functions of the Authority under this Act.

(b) THE BOARD OF TEVETA

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 Act No.13 of 1998. The Board consisted of representation from the following:

1. the Permanent Secretary in the ministry responsible for technical education and vocational training;
2. a representative of a federation of trade unions;
3. a person from the mining industry;
4. the Chairperson from the Zambia Association of Chambers of Commerce and Industry;
5. a chairperson of an organisation representing the informal sector in small scale industry;
6. the permanent secretaries of the ministries responsible for education, labour, youth and sport, commerce, trade and industry and community and social development;
7. two representatives of universities established under the Universities Act;

8. a representative of a federation of employers' organisations;
9. a representative of the Engineering Institution of Zambia;
10. a person from a financial institution;
11. a representative of Small Enterprise Development Board;
12. a representative of women involved in technical education, vocational and entrepreneurship training;
13. a representative of the building industry;
14. a representative of religious institutions involved in providing technical education, vocational and entrepreneurship training; and
15. two other persons.

The Minister appointed the Chairperson of the Authority and the Vice-Chairperson was elected by the members from amongst themselves.

(c) THE ROLE OF TEVETA

TEVETA has three Divisions, under the Director General. TEVETA has an approved structure of forty-nine staff but the full establishment was not reached during the year. The roles of the Divisions are as follows:-

(a) Training Standards Division

The Training Standards Division is responsible for:

- **Curriculum Review and Development**
- **Training Quality Assurance**
 - × Inspection
 - × Registration
 - × Accreditation
- **Training Systems, Assessments and Qualifications**
 - × Apprenticeships
 - × Trade Testing
 - × Examinations
 - × Distance Vocational Training

- × Special Education

(b) Development Division

The Development Division is responsible for:

- Liaison

- × Labour Market Analysis
- × Networking between industry and training providers
- × Training Institution Management Capacity Development
- × Cross-Cutting Issues

- **Entrepreneurship Development and Informal Sector Training**

- × Entrepreneurship Development
- × Informal/ Micro, Small & Medium Enterprises (MSME) Sector Training

- **Information, Education and Communications**

(c) Finance and Administration Division

The Finance and Administration Division is responsible for:

- Financial Management
- Human Resources Development and Management
- Procurement and Supplies
- Management of the TEVET Fund
- Management of TEVET support services

6.1 TRAINING STANDARDS DIVISION

The division worked towards achieving the following outputs:

(a) Trade Testing, Apprenticeship Training and Distance Vocational Training

Provision of advisory services on Trade Testing, Apprenticeship and Distance Vocational Training. This service was provided through formal linkages between Employer Organisations, Training Providers, Government Ministries. The rationale was to create the linkage between the "world of work" and skills development on the basis of specific issues concerning Trade Testing, Apprenticeship Training, Distance Vocational Training, and Qualifications Equivalences.

(b) The TEVET Qualifications Framework

The TEVET Qualifications Framework (TQF) developed. The TQF is designed to provide for the harmonization of skills and qualifications in TEVET, promotion of a common understanding of content of knowledge and competences and the provision of a clear progression path for learners. TEVET Qualifications Framework will eventually be a part of an overall National Qualifications Framework (NQF).

(c) Training Systems, Assessments, Examinations and Qualifications

Actions were taken towards improving the Assessment and Examinations System in TEVET. These actions were intended to provide for a new Assessments and Examinations System which will take into account modern practices, and changes in the TEVET structure. Work was also undertaken aimed at the modernisation of the training systems in order to improve training delivery and to respond to training needs for both formal and informal sector employment, consistent with internationally accepted standards.

(d) Curriculum Review and Development

The Development and Revision of National Curricula resulted in thirty four (34) curricula that were developed and. Twenty-one (21) were approved by the TEVET committee of the Examinations Council of Zambia.

(f) Training Quality Assurance

Actions were undertaken to improve Quality Assurance in TEVET Institutions. Quality Assurance in the TEVET System is designed to take into account the specific needs and status of training

providers. Institutions subjected to closer inspection and detailed inspection reports and action plans. Three Hundred and Thirty-Eight (338) training providers were registered, an increase of 06% over the number registered in 2005. The geographical distribution of training providers is shown in Table 1. Inspection Reports were sent to the Institutions that were "Un-graded", giving them a time frame in which to take corrective action.

Table 1: Registered TEVET institutions by province (2000-2006)

| PROVINCE | NUMBER REGISTERED | | | | | | |
|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Lusaka | 73 [48%] | 82 [47%] | 84 [36%] | 113 [44%] | 132 [39.5%] | 106 [33%] | 105 (31.1%) |
| Copperbelt | 42 [28%] | 52 [29%] | 68 [29%] | 63 [25%] | 82 [24.6%] | 76 [24%] | 72 (21.3%) |
| Central | 10 [7%] | 5 [3%] | 15 [6%] | 9 [3%] | 12 [3.6%] | 15 (5%) | 21 (6.2%) |
| Southern | 7 [5%] | 10 [6%] | 17 [7%] | 30 [12%] | 37 [11.1%] | 47 [15%] | 52 (15.4%) |
| North-Western | 2 [1%] | 6 [3%] | 7 [3%] | 4 [2%] | 12 [3.6%] | 13 [4%] | 11 (3.2%) |
| Northern | 2 [1%] | 1 [1%] | 11 [5%] | 8 [3%] | 15 [4.5%] | 13 [4%] | 13 (3.9%) |
| Western | 5 [3%] | 8 [5%] | 10 [4%] | 7 [3%] | 25 [7.5%] | 24 [8%] | 25 (7.3%) |
| Eastern | 7 [5%] | 11 [6%] | 12 [5%] | 13 [5%] | 12 [3.6%] | 15 [5%] | 31 (9.2%) |
| Luapula | 3 [2%] | 3 [2%] | 7 [3%] | 7 [3%] | 7 [2.1%] | 10 [3%] | 8 (2.4%) |
| Total | 151 [100%] | 178 [100%] | 231 [100%] | 254 [100%] | 334 [100%] | 319 [100%] | 338 (100%) |

Many organisations and individuals are taking part in the provision of technical education and vocational training in the country in addition to government. This is illustrated in the Table 2 below.

Table 2: Private Sector and Government Participation in the Provision of Technical Education and Vocational Training (2000-2006)

| OWNERSHIP | NUMBER OF REGISTERED TRAINING INSTITUTIONS | | | | | | |
|--------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Church | 20 [13%] | 27 [15%] | 39 [17%] | 43 [17%] | 55 [18%] | 59 (18%) | 60 (18%) |
| Community/NGO | 29 [19%] | 29 [16%] | 36 [16%] | 38 [15%] | 20 [6%] | 20 (6%) | 22 (6%) |
| In-Company | 6 [4%] | 8 [4.5%] | 10 [4%] | 11 [4%] | 13 [4%] | 13 (4%) | 13 (4%) |
| Public/Government | 2 1[14%] | 28 [16%] | 39 [17%] | 43 [17%] | 56 [18%] | 56 (18%) | 56 (17%) |
| Private-for-Profit | 69 [46%] | 78 [44%] | 98 [42%] | 106 [42%] | 158 [50%] | 159 (50%) | 175 (52%) |
| Trust | 6 [4%] | 8 [4.5%] | 9 [4%] | 12 [5%] | 12 [4%] | 12 (4%) | 12 (3%) |
| TOTAL | 151 [100%] | 178 [100%] | 231 [100%] | 254 [100%] | 314 [100%] | 319 [100%] | 338 [100%] |



Table 3: Students Enrolment Numbers by Year, Gender and Training Programme

| Programme | 2001 | | 2002 | | 2003 | | 2004 | | 2005 | | 2006 | |
|------------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | M | F | M | Fe | M | F | M | F | M | F | M | F |
| Business Studies | 3,685 | 3,535 | 3,997 | 3,989 | 4,353 | 4,605 | 5,024 | 4,678 | 5,321 | 5,012 | 5630 | 5412 |
| Secretarial Studies | 0 | 1,548 | 1 | 1,636 | 1 | 1,556 | 1 | 1,590 | 0 | 1603 | 2 | 1626 |
| Hotel and Tourism | 239 | 516 | 310 | 1,096 | 376 | 1,106 | 543 | 1,235 | 675 | 1560 | 875 | 1960 |
| Media and Applied Arts | 613 | 737 | 613 | 1,043 | 702 | 1,585 | 766 | 1,574 | 809 | 1587 | 869 | 1627 |
| Paramedical | 150 | 84 | 162 | 71 | 168 | 84 | 180 | 97 | 120 | 130 | 140 | 150 |
| Aviation | 50 | 15 | 48 | 13 | 52 | 10 | 54 | 8 | 100 | 30 | 114 | 89 |
| Craft | 2,616 | 286 | 3,642 | 463 | 4,356 | 558 | 5,972 | 567 | 6,122 | 698 | 6422 | 829 |
| Advanced Certificate/Diploma | 2,191 | 128 | 2,366 | 250 | 2,192 | 271 | 3,571 | 342 | 3,604 | 543 | 3644 | 703 |
| Technologist | 154 | 3 | 144 | 4 | 239 | 7 | 344 | 13 | 380 | 9 | 420 | 9 |
| TOTAL | 9,698 (59%) | 6,852 (41%) | 11,283 (57%) | 8,565 (43%) | 12,439 (56%) | 9,782 (43%) | 16,455 (62%) | 10,104 (38%) | 17,131 (61%) | 11,172 (39%) | 18,116 (59%) | 12,405 (41%) |
| | 16,550 | | 19,848 | | 22,221 | | 26,559 | | 28,303 | | 30521 | |

M = Male

F = Female

6.2 DEVELOPMENT DIVISION

(a) Integration and Mainstreaming of Entrepreneurship Training

The Development Division followed-up one hundred and forty four (144) trainers out of a possible total of 237 trainers, covering eight (8) provinces excluding Lusaka, who had undergone orientation training to teach TEVETA's national curriculum on Entrepreneurship in 2004 and 2005. The number of training institutions involved was one hundred and eight (108). Out of a total of 5,747 people who underwent Entrepreneurship training, about 26% were reported to have started up their own businesses. Reported start up barriers included: limited access to finance, inadequate equipment/technological capability, and limited market opportunities.

(b) Strengthening and mainstreaming Micro, Small and Medium Enterprise (MSME) Sector Training Systems to Promote Increased Productivity and Income Generating Capabilities.

Collaborated with the Zambia Chamber for Small and Medium Business Associations (ZCSMBA) and the Export Board of Zambia in facilitating the participation of Mazabuka Entrepreneurs' Association in the Caprivi regional show in Namibia. The event brought out the business opportunities and corresponding challenges pointing to training needs peculiar to cross-border export trade involving micro and small enterprise operators.

Commissioned the Zambia Chamber for Small and Medium Businesses Association (ZCSMBA), to conduct an enterprise job level Training Needs Assessment in the seven (7) sectors in which their members were active, namely: Agriculture, Manufacturing, Construction, Small Scale Mining, Trading, Tourism and Travel, and Services like Education, Health, and Business Development Services.

Followed up the thirty (30) entrepreneurs-cum-trainers trained in Wood product finishing, and Hair dressing respectively, trained in 2005, as part of an initiative to develop modalities for propagating improved technical skills for the informal/micro and small enterprise sector through training. The follow up yielded evidence of increased productivity and incomes through indicators in such as: expansion of product range, and purchase of new portable tools.

TEVETA secured financing from the Japan International Co-operation Agency (JICA), under the post-training "Soft Follow-up support Programme", and commenced a "mini" project to develop and test "Peer Collaboration Models" as tools for maximising the application of the learning acquired from the TEVET system by informal/Micro, Small and Medium Enterprise sector operators. The target groups were drawn from the Garden Association of the Self Employed (GASE) Lusaka, Choma based Entrepreneurs trained in wood product finishing by Chodort Training Centre who embarked on forming an association after the training; and carpentry students and graduates at the Mobile Mission Maintenance Vocational Training Centre in Ndola, who had been involved in the "Student Company" model approach to teaching technical skills integrated with Entrepreneurship and Business management.

(c) District Training Advisory Committees (DTACs):

The Development Division had completed District Training Strategic Plans and related action plans for all

ten (10) District Advisory Committees (DTACs), and had identified a sample of forty one (41) urban and rural based training institutions to pilot the establishment of training provider based Business Counselling focal points.

(d) Liaison and Labour Market Information

The Development Division had facilitated formation of a Mining and Mineral Processing Sector Training Advisory Committee. Further, the Logistics and Transport Sector Training Advisory Committee had agreed on criteria for selecting priority occupations requiring skills training. These were:

- Drivers,
- Fleet owner operators
- Maintenance and repair Artisans.

The Development Division concluded the Situation Analyses on Gender and Disability barriers to accessing GRZ/TEVETA regulated skills training. Awareness on the need for promoting Gender equity was found to be fairly high among both staff and students. Regarding Disability, there were serious challenges that needed to be addressed over the full scope and variety of Disabilities.

The integration of issues of HIV/AIDS, in TEVET progressed with a number of Training institutions developing and implementing institutional policies based on a template that had been introduced to them by TEVETA in 2005. The Division also facilitated TEVET Peer Educator training of 82 staff drawn from 46 of the 57 training institutions which had responded to an invitation for project proposals to support implementation of their HIV/AIDS institutional policy implementation plans. This gave a participation level at staff of 72%, and 81% at training institution level.

e) Information, Education and Communication

The main objective of the Information, Education and Communication (IEC) programme for the year under review was to improve awareness and understanding of the TEVET Reforms and programmes in Zambia. Towards this objective, the Authority carried out the following activities:

Concluded development of the Information, Education and Communications (IEC) Strategy for TEVET;

- Dissemination of TEVET information through Radio programmes on Zambia National Broadcasting Corporation (ZNBC); community Radio Stations in Eastern, Southern, Northern, Copperbelt, and Western Provinces respectively, in both English and local languages;
- Continually up-dated the TEVETA Website.
- Promoted information and experience exchange initiatives through participation in local and international exhibitions and conferences.

6.3 FINANCE AND ADMINISTRATION DIVISION

(a) Human Resources

The Authority had a total staff complement of thirty-five at the end of 2006. Table 4 shows a summary of the staff movement during the year.

Table 4: Staff Position at 31st December 2006

| Category | At 31 st Dec. 2005 | Recruited | Promoted | Separated | At 31 st Dec 2006 | Approved Establishment |
|---------------------|-------------------------------------|-----------|----------|-----------|------------------------------------|---------------------------|
| Director General | 1 | - | - | - | 1 | 1 |
| Directors | 3 | - | 1 | (1) | 3 | 3 |
| Managers | 8 | - | (1) + 1 | - | 8 | 8 |
| Specialists | 12 | 3 | (1) | 3 | 11 | 22 |
| Officers | 4 | 2 | - | 1 | 5 | 7 |
| Support Staff | 7 | - | - | - | 7 | 8 |
| TOTAL | 35 | 5 | 0 | 5 | 35 | 49 |

During the year, the Director Training Standards Division Mr. Eustarckio Kazonga resigned. He was replaced by the Manager for Curriculum Development, Mr. Orphan Hachinene who was promoted to the position of Director. The Human Resources Specialist position was upgraded to Manager level to enhance the role of the office.

In order to ensure compliance with the Zambia National Tender Board (ZNTB) regulations, a Procurement Officer was recruited. Other positions recruited during the year were those of Accountant in the TEVET Fund, Procurement and Supplies Specialist and an Accounts Officer. These recruitments were to replace staff that had separated with the Authority.

(b) Staff Training

90% of planned programs were implemented in accordance with the Human Resources Development Plan of the Authority, with the support of the NUFFIC/NPT Project implemented in conjunction with CINOP of the Netherlands.

Team Building, Monitoring and Evaluation, Contract Management & Strategic Planning workshops were held during the year. Two Curriculum Development workshops were held during the year to update our approaches to Curriculum Development.

Unit Managers and Specialists went on regional attachments as scheduled.

(c) Consultancy

The consultancy in conjunction with CINOP and Fontys University of the Netherlands aimed at providing support to Nkrumah Teacher Training College and the Copperbelt Secondary Teachers Training College commenced and was planned for completion in 2009.

Other consultancies undertaken during the year were:

- Export Board Strategic Planning and Reporting Formats
- Strategic Planning for the Times of Zambia

(d) The TEVET Fund

Table 5 shows the disbursements from the TEVET Fund to Training Providers at 31st December 2006.

Table 5 :TEVET Fund Disbursements at 31st December 2006

| TECHNICAL EDUCATION VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) | | | | |
|---|--|---|---------------------|-----------------------|
| TEVET FUND | | | | |
| FUND DISBURSEMENTS AS AT 31ST DECEMBER 2006 | | | | |
| | INSTITUTION | PROGRAMME | CONTRACT VALUE K | AMOUNT DISBURSED K |
| 1. | Window 3: SME/Informal Sector training-PILOT | | | |
| | Association of CISEP Users | Informal Sector Training to unemployed and Retrenched in CISEP centres | 415,569,677.00 | 389,209,677.00 |
| | Choma Trades Training Institute | Entrepreneurship Skills to Mukuni Curio Makers | 49,100,228.00 | 47,363,209.80 |
| | | | 464,669,905.00 | 436,572,886.80 |
| 2. | Window 1: Pre-employment training-PILOT | | | |
| | Northern Technical College | Mechanical Technician; & Computer Systems Eng. | 473,238,798.00 | 236,619,399.00 |
| | Zambia Institute of Management | NATECH | 553,217,844.00 | 266,810,172.00 |
| | | | 1,026,456,642.00 | 503,429,571.00 |
| 3. | Window 1: Pre-employment training-2006 PROGRAM | | | |
| | Northern Technical College | Electrical Technician; Heavy Duty Technician; & Mechanical Fitting | 589,426,797.00 | 294,713,398.50 |
| | St Ambrose Trade Centre | Metal Fabrication Craft Certificate, Certificate in Information Technology, Electrical Craft | 144,911,507.00 | 72,455,753.00 |
| | Kasiya Business & Technical College | Certificate in Information Technology, Certificate in Front Office Operations | 158,780,729.00 | 79,390,365.00 |
| | Zambia Institute of Business and Industrial Practice | Certificate in Information Technology, Food Production | 105,876,570.00 | 52,938,285.00 |
| | Hotel and Tourism Training Institute Trust | Diploma in Hotel Management, Food Production, Tourism and Travel, Food and Beverage Sales Service | 319,448,874.00 | 159,724,437.00 |
| | Choma Trades Training Institute | Metal Fabrication Craft Certificate, Electrical Craft | 142,136,169.00 | 71,068,085.00 |
| | Lusaka Vocational Training Centre | Metal Fabrication Craft Certificate, Electrical Craft | 71,149,035.00 | 35,574,518.00 |
| | Life Skills Training Centre | Electrical Craft | 35,891,638.00 | 17,945,819.00 |
| | Kabwe Trades Training Centre | Metal Fabrication Craft Certificate, Electrical Craft, Plumbing Certificate | 111,868,530.00 | 55,934,265.00 |
| | Mongu Trades Training Institute | Certificate in Information Technology, Electrical Craft | 72,258,836.00 | 36,129,418.00 |
| | NDRC /ZAGA Training Trust | Diploma in Export Horticulture | 145,223,214.00 | 72,611,607.00 |
| | Palabana Dairy Training Institute | Certificate in Dairy Processing | 141,884,049.00 | 70,942,024.00 |
| | Gemstone Processing & Lapidary Training Centre | Certificate in Gemstone Processing, Jewellery manufacture | 300,344,224.00 | 150,172,112.00 |
| | Makeni Ecumenical Centre | Certificate in Food Production, Electrical Craft, General Agriculture | 183,006,753.00 | 91,503,376.00 |
| | | | | |
| | | | 2,522,206,925.00 | 1,261,103,462.50 |

Table 5 continued

| | | | | |
|----|---|---|---------------------|-----------------------|
| 4. | Window 2: In-Service training -2006 PROGRAM | | | |
| | Katere District Farmers Co-operative Union/ In-service Training Trust | Grain Management | 49,362,500.00 | 35,187,500.00 |
| | INSTITUTION | PROGRAMME | CONTRACT VALUE K | AMOUNT DISBURSED K |
| 5 | Window 3: SME/Informal Sector training-2006 PROGRAM | | | |
| | Choma Trades Training Institute | Entrepreneurship Skills to Mukuri Curio Makers | 204,291,800.00 | 175,224,400.00 |
| | Kasiya Business & Technical College | Livestock Disease Control and Prevention; Fabric Dyeing (Batik) & Entrepreneurship and Business Skills | 234,012,000.00 | 123,365,000.00 |
| | Mukwela Youth Resource Centre | Metal work; Carpentry & Joinery, General Agriculture; Tailoring and Entrepreneurship | 140,375,000.80 | 102,150,000.54 |
| | Solwezi Skills Training Institute | Food Production; Restaurant services; Suit Making & Roof Construction | 119,948,000.00 | 64,928,000.00 |
| | Palabana Dairy Training Institute | Pig & Poultry production; Small & medium scale Dairy farming and Milk processing | 127,572,600.00 | 61,362,700.00 |
| | St Ambrose Trades Centre | Carpentry and Joinery, Metal Fabrication, Cutting and Tailoring | 174,974,050.00 | 90,635,230.00 |
| | Ndola Polytechnic | Chicken and Pig Rearing, Tailoring, Hair plaiting & Entrepreneurship | 155,339,000.00 | 36,840,000.00 |
| | Life Skills Training Centre | Domestic Electrical House wiring and repair, Hygiene and Entrepreneurship, Furniture Making, Roof thatching and Joinery & Dress making and Design | 189,462,000.00 | 22,000,000.00 |
| | Kabushi Entrepreneurship & Vocational Training Centre | Wood Finishing and Entrepreneurship Courses | 248,938,000.00 | 42,271,000.00 |
| | National Council For Construction | Building Inspection and Construction, Construction Management | 122,595,575.00 | 61,112,325.00 |
| | Vocational Training Centre For Commerce | Design & Tailoring | 63,000,000.00 | 14,600,000.00 |
| | | | 1,780,508,025.80 | 794,488,635.54 |
| 6 | Window 4: Investment and Development Funding-2006 PROGRAM | | | |
| | HUMAN RESOURCES DEVELOPMENT | | | |
| | Choma Trades Training Institute | Diploma in Electrical-Copperbelt University | 10,380,000.00 | 10,380,000.00 |
| | Chipata Trades Training Institute | Technical Teaching Diploma-TVTC | 8,270,000.00 | 8,270,000.00 |
| | Zambia Institute of Business and Industrial Practice | CISCO and Web Site Development | 7,920,000.00 | 7,920,000.00 |
| | Kabwe Trades Training Institute | Automotive Technologist | 13,420,000.00 | 13,420,000.00 |
| | Kasiya Business & Secretarial College | Technical Teaching Diploma-TVTC | 8,060,000.00 | 8,060,000.00 |
| | Northern Technical College | Power Systems Protection | 13,807,500.00 | 13,807,500.00 |
| | | | 61,857,500.00 | 61,857,500.00 |
| | GRAND TOTAL | | 6,625,848,997.80 | 3,596,341,735.84 |
| | | | | 3,029,507,261.96 |

The Out-put Monitoring Report is a matrix/table that gives a summary on the indicators and numbers trained per funding Window. For each indicator e.g learner enrolments per programme, the digits indicate numbers trained during the quarter under review, the numbers trained from the start of the project to date and then gives the variance.

The table below gives the numbers trained during the fourth quarter of 2006 (September to December 2006)

Table 6 :The TEVET Fund: Output Monitoring Report
MINISTRY OF SCIENCE, TECHNOLOGY AND VOCATIONAL TRAINING, TEVET DEVELOPMENT PROGRAM
TEVET FUND OUTPUT MONITORING REPORT FOR THE PERIOD
1 October- 31 December 2006
(in Number of Students)

| | INDICATOR | Quarter | | Project to Date | | Variance to Date | |
|----|---|---------|--------|-----------------|--------|------------------|---------|
| | | Actual | Target | Actual | Target | Actual | % |
| 1. | Learner enrolments per skill priority programme | | | | | | |
| | Pre-employment training: | | | | | | |
| | NaTech | 95 | 100 | 95 | 100 | 5 | 5.00 |
| | Electrical Technician | 50 | 50 | 50 | 50 | 0 | - |
| | Mechanical Technician | 50 | 50 | 50 | 50 | 0 | - |
| | Heavy Duty Repair Technician | 20 | 20 | 20 | 20 | 0 | - |
| | Computer Systems Engineering Technician | 30 | 30 | 30 | 30 | 0 | - |
| | Mechanical Fitting | 30 | 30 | 30 | 30 | 0 | - |
| | Information Technology | 40 | 20 | 20 | 20 | 0 | - |
| | Food production | 35 | 35 | 35 | 35 | 0 | - |
| | Electrical Craft | 20 | 20 | 20 | 20 | 0 | - |
| | Germstone Processing | 22 | 25 | 22 | 25 | 3 | 12.00 |
| | Jewellery Manufacturing | 23 | 25 | 23 | 25 | 2 | 8.00 |
| | Dairy Processing | 32 | 40 | 32 | 40 | 8 | 20.00 |
| | Metal Fabrication | 10 | 10 | 10 | 10 | 0 | - |
| | Hotel Management | 35 | 35 | 35 | 35 | 0 | - |
| | Tourism and Travel | 20 | 20 | 20 | 20 | 0 | - |
| | Food and beverage Sales Service | 9 | 9 | 9 | 9 | 0 | - |
| | SME/Informal Sector training: | | | | | | |
| | Technical Skills training | 502 | 446 | 1244 | 1294 | 50 | 3.86 |
| | Leadership and Team building | 0 | 0 | 59 | 45 | (14) | (31.11) |
| | Other support workshops: HIV/AIDS; Follow ups | 105 | 105 | 190 | 185 | (5) | (2.70) |
| | Entrepreneurship and Business Development skills | 90 | 90 | 149 | 150 | 1 | 0.67 |
| | In-Service Training | | | | | | |
| | Engineering and Technical Courses | 100 | 100 | 331 | 330 | (1) | (0.30) |
| | Water Treatment and Plant maintenance | 0 | 0 | 71 | 71 | 0 | - |
| 2. | Target group priorities | | | | | | |
| | (Average number of disadvantaged learners receiving training) | | | | | | |
| | Disabled adults: | 2 | 32 | 8 | 52 | 44 | 84.62 |
| | Youth 18 - 30 years | 90 | 90 | 203 | 338 | 135 | 39.94 |
| | Women | 354 | 284 | 706 | 718 | 12 | 1.67 |
| | Graduates of TEVET Institutions | 15 | 15 | 30 | 47 | 17 | 36.17 |
| | Rentrences | 30 | 33 | 45 | 135 | 90 | 66.67 |
| | Unemployed Adults -30 - 55 years | 60 | 110 | 333 | 326 | (7) | (2.15) |
| 3. | Learner achievements per skills priority programme | | | | | | |
| | NaTech | 0 | 0 | 70 | 90 | 20 | 22.22 |
| | Electrical Technician | 0 | 0 | 33 | 45 | 12 | 26.67 |
| | Mechanical Technician | 0 | 0 | 22 | 47 | 25 | 53.19 |
| | Heavy Duty Repair Technician | 0 | 0 | 19 | 18 | (1) | (5.56) |
| | Computer Systems Engineering Technician | 0 | 0 | 26 | 29 | 3 | 10.34 |
| | Mechanical Fitting | 0 | 0 | 24 | 27 | 3 | 11.11 |
| 4. | Fee Remission: | | | | | | |
| | Pre-employment training: | | | | | | |
| | NaTech | 9 | 10 | 9 | 10 | 1 | 10.00 |
| | Electrical Technician | 0 | 10 | 0 | 10 | 10 | 100.00 |
| | Mechanical Technician | 0 | 5 | 0 | 5 | 5 | 100.00 |
| | Heavy Duty Repair Technician | 0 | 1 | 0 | 1 | 1 | 100.00 |
| | Computer Systems Engineering Technician | 0 | 3 | 0 | 3 | 3 | 100.00 |
| | Mechanical Fitting | 0 | 3 | 0 | 3 | 3 | 100.00 |
| | Information Technology | 8 | 8 | 8 | 8 | 0 | - |
| | Food Production | 5 | 8 | 8 | 8 | 0 | - |
| | Electrical Craft | 4 | 7 | 4 | 7 | 3 | 42.86 |
| | Germstone Processing | 0 | 10 | 0 | 10 | 10 | 100.00 |
| | Jewellery Manufacturing | 0 | 10 | 0 | 10 | 10 | 100.00 |
| | Dairy Processing | 0 | 9 | 0 | 9 | 9 | 100.00 |

Table 6 continued

| | | | | | | | |
|--|---|-----|-----|-----|-----|-----|--------|
| | Metal Fabrication | 0 | 10 | 0 | 10 | 10 | 100.00 |
| | Hotel Management | 0 | 4 | 0 | 4 | 4 | 100.00 |
| | Tourism and Travel | 0 | 3 | 0 | 3 | 3 | 100.00 |
| | Food and beverage Sales Service | 0 | 1 | 0 | 1 | 1 | 100.00 |
| | SME/Informal Sector training: | | | | | | |
| | Technical Skills training: Leadership and Team building; and other support workshops | 105 | 105 | 163 | 178 | 15 | 8.43 |
| | Entrepreneurship and Business Development skills | 90 | 90 | 149 | 150 | 1 | 0.67 |
| 5. | Learner Placements during and after training | | | | | | |
| | Number of learners placed during training | 0 | 350 | 57 | 350 | 293 | 83.71 |
| | Number of learners placed after training | 0 | 20 | 0 | 20 | 20 | 100.00 |
| | Number of Enterprises started | 68 | 80 | 121 | 160 | 39 | 24.38 |
| NOTE: Assessment in many courses are conducted at the end of the year Learner placement during training in many courses is done towards the end of the programmes | | | | | | | |

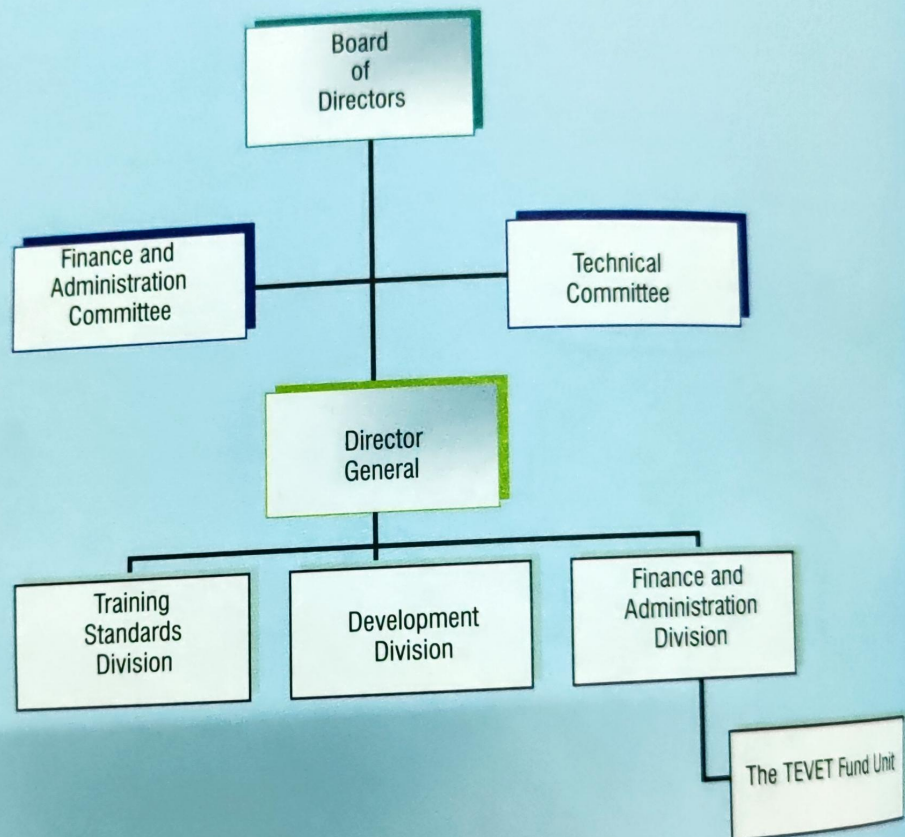
Table 6 shows the results obtained from training providers in the context of support provided through the TEVET Fund.



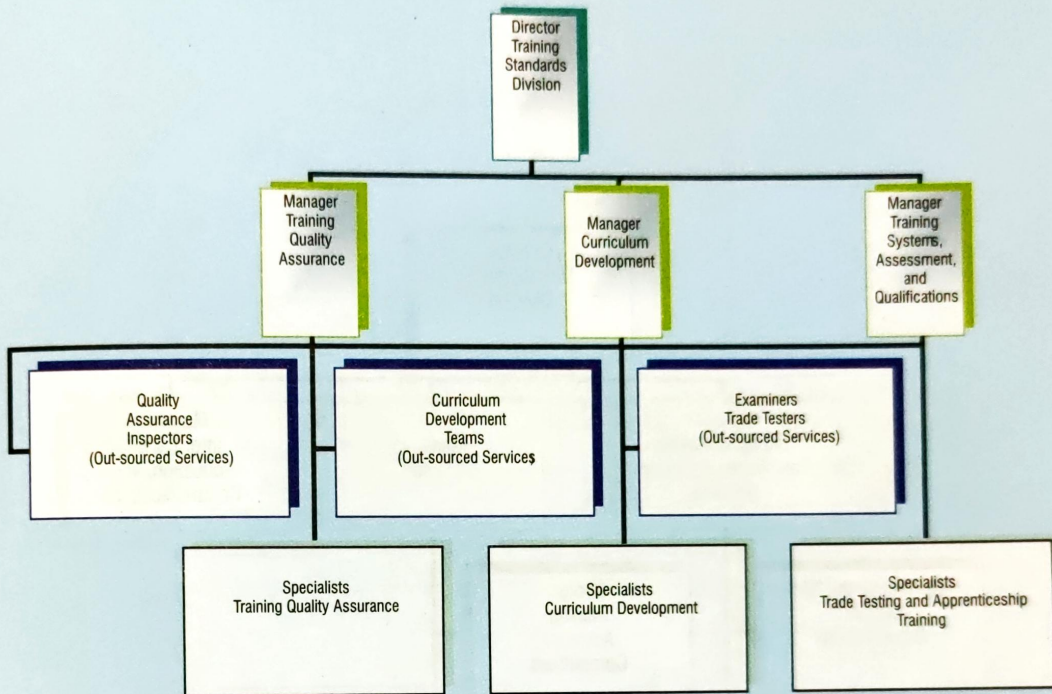
Motor Vehicle Engine Maintenance and Repair Session in Progress

7. ORGANIZATION STRUCTURE

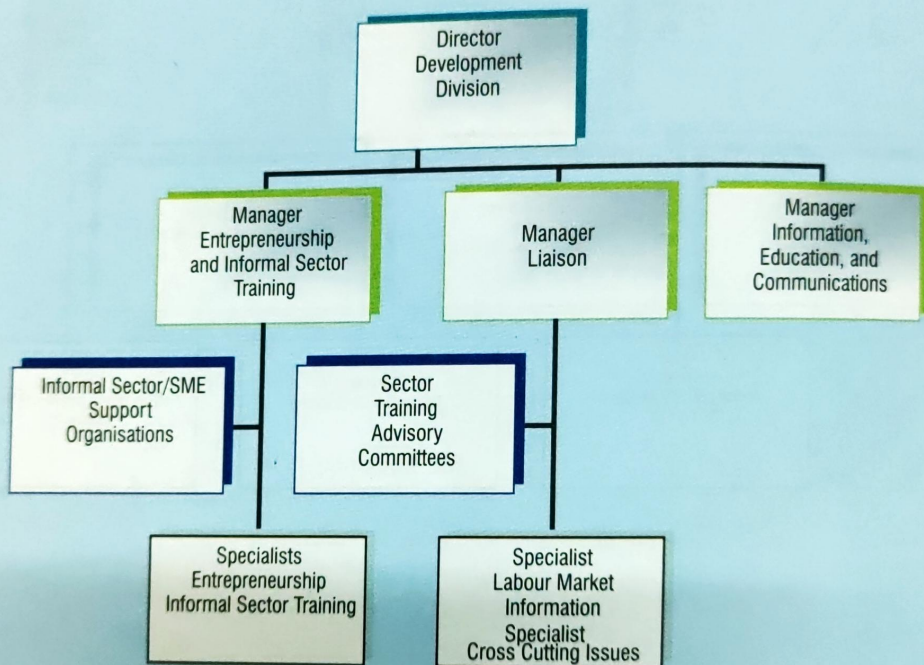
7.1 Overall Structure



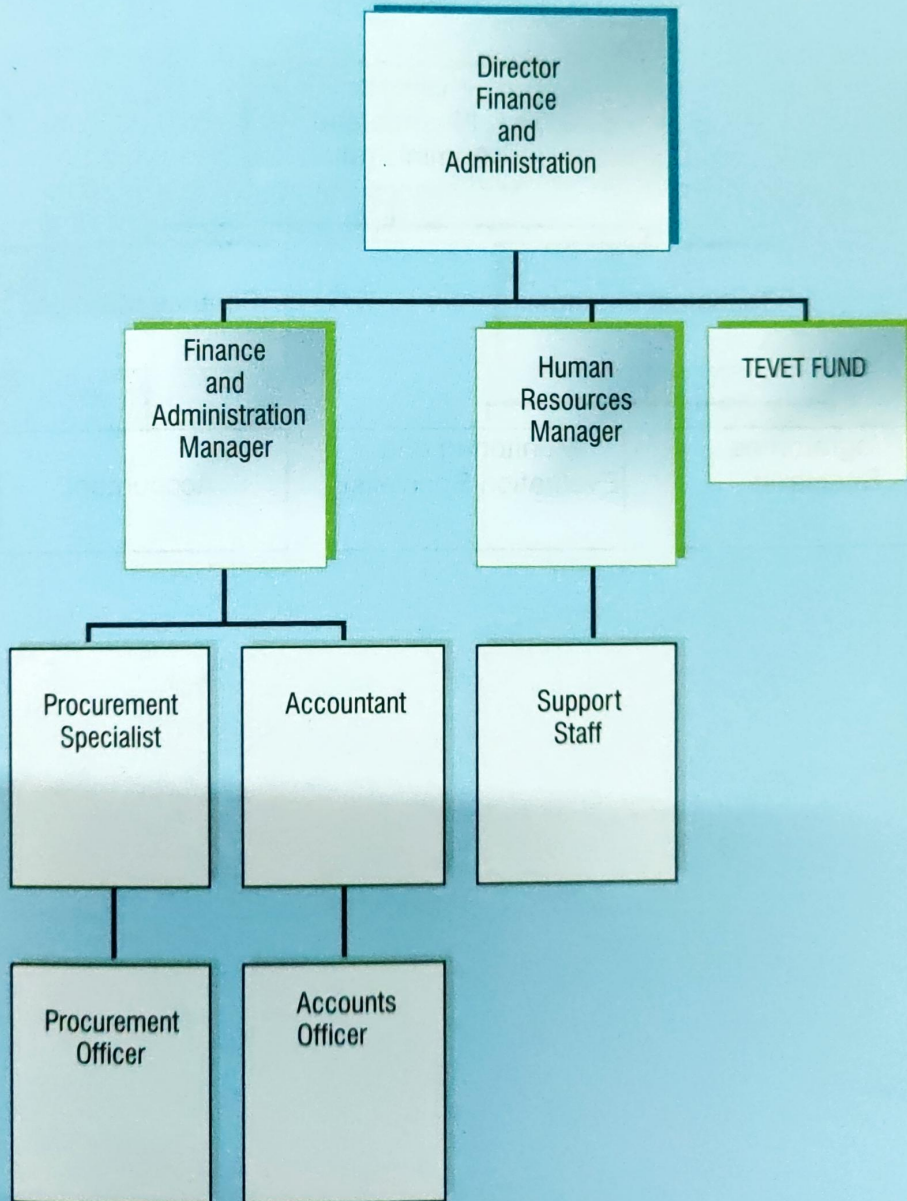
7.2 Training Standards Division



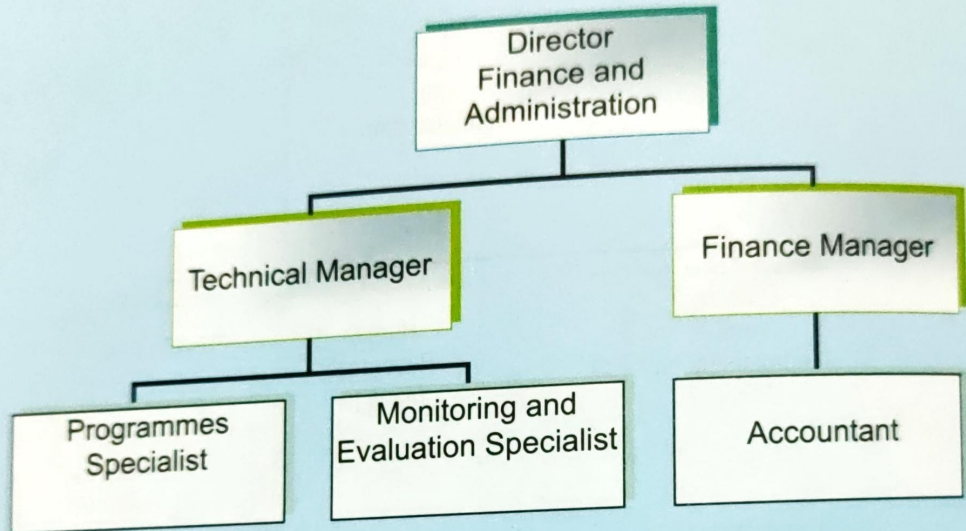
7.3 Development Division



7.4 Finance and Administration Division



7.4.1 The TEVET Fund



8. OUTLOOK FOR 2007

The establishment of the TEVET Fund during 2005 and 2006 is the most significant development in the TEVET Reforms. The TEVET Fund provides for opening up of equal private and public provider access to public training funds on a competitive basis; a commitment to cost-sharing through private sector and learner contributions to the cost of training; and the establishment of national quality assurance mechanisms to improve the quality of delivery and the confidence of beneficiaries in the training and skills they acquire. In 2007, TEVETA will strive towards further improving the operations of the TEVET Fund, and to increase the participation of training providers and employers.

A major development planned for 2007 is the detailed design and implementation of the TEVET Qualifications Framework (TQF). The TQF is needed in order to create a training system that is able to recognise and mitigate between different types of skills qualifications obtainable in the Zambian market. The TQF will set the boundaries of a framework of principles and guidelines by which records of learner or trainee achievement are registered to enable national recognition of acquired skills and knowledge. The TQF is a part of the wider efforts towards the establishment of the National Qualifications Framework (NQF).

FINANCIAL STATEMENT**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
FINANCIAL STATEMENTS
For the Year ended 31 December 2006**

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|-------------------------------------|-------------|
| 1 Directors' statement | 1 |
| 2 Auditors' Report | 2 |
| 3 Income and expenditure statement | 3 |
| 4 Balance sheet | 4 |
| 5 Cash flow statement | 5 |
| 6 Notes to the financial statements | 6 - 11 |
| 7 Appendix | |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) FINANCIAL STATEMENTS

For the Year ended 31 December 2006

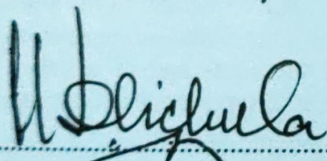
DIRECTORS' STATEMENT

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 period.

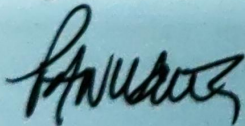
In the opinion of the directors: -

- The income and expenditure statement is drawn up so as to give a true and fair view of the surplus of the Authority for the one year period;
- The balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Authority at 31 December 2006; and
- There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

Consequently, the financial statements on pages 3 to 11 were approved by the directors at a board meeting held on 24th April 2007 and signed on its behalf by:



Board Chairperson



Board Secretary

M T Ncube & Associates

Chartered Accountants

Plot 201 Kasangula Road, Roma, P.O. Box 35550 Lusaka Zambia
Tel: 211 291386 Telefax 211 293004 E-mail: mtntspec@zamnet.zm

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

We have examined the financial statements on pages 3 to 11, which have been prepared on the basis of the accounting policies set out on page 6.

Respective Responsibilities of the Directors and the Auditors

As described in note 3 the directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion on the financial statements.

Basis of Opinion

We conducted our audit in accordance with International Auditing Standards.

An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. Significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion the financial statements give a true and fair view of the Authority's affairs as at 31 December 2006 and of its surplus for the year then ended and comply with the International financial Reporting Standards.

MT Ncube & Associates
Chartered Accountants

80/3 / Lusaka
2007

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

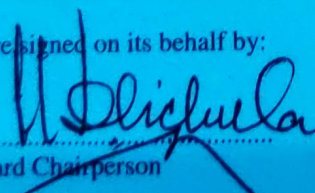
| | Note | 31 December 2006 K | 31 December 2005 K |
|---|--------------|--------------------------|--------------------------|
| Income | 5 | 11,114,477,186 | 13,293,767,259 |
| Direct Expenditure | Appendix I | (6,980,765,192) | (6,374,800,913) |
| Administration Expenditure | Appendix II | (5,471,450,207) | (4,718,923,634) |
| Exchange Differences | Appendix III | <u>32,783,730</u> | <u>(468,653,419)</u> |
| (Deficit)/Surplus of income over expenditure | 11 | <u>(1,304,954,483)</u> | <u>1,731,389,293</u> |


The notes on pages 6 to 11 form part of these financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) BALANCE SHEET For the Year ended 31 December 2006

| | Notes | 31 December 2006 K | 31 December 2005 K |
|------------------------------------|-------|-----------------------------|-----------------------------|
| <i>Assets</i> | | | |
| Non Current Assets | | 525,325,897 | 783,761,452 |
| Tangible fixed assets | 7 | | |
| Current assets | | 68,394,745 | 88,673,835 |
| Stock | 8 | 285,494,020 | 510,563,114 |
| Debtors | 9 | <u>1,451,135,184</u> | <u>2,449,978,316</u> |
| Cash and bank | 10 | <u>1,805,023,949</u> | <u>3,049,215,266</u> |
| Total Assets | | <u>2,330,349,846</u> | <u>3,832,976,717</u> |
| <i>Funds and Liabilities</i> | | | |
| Accumulated fund | 11 | 740,432,831 | 2,045,387,314 |
| Non Current liabilities | | 504,571,434 | 578,362,381 |
| Capital Grant | 12 | | |
| Current liabilities | | 1,085,345,581 | 1,209,227,022 |
| Creditors | 13 | | |
| Total Funds and liabilities | | <u>2,330,349,846</u> | <u>3,832,976,717</u> |

The financial statements of TEVETA were approved by the Directors on 26th April 2007 and
were signed on its behalf by:


Board Chairperson


Board Secretary

The notes on pages 6 to 11 form part of these financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) CASH FLOW STATEMENT For the Year ended 31 December 2006

| | Notes | 31 December 2006 K | 31 December 2005 K |
|--|-------|--------------------------|--------------------------|
| Operating Activities | | | |
| (Deficit)/Surplus of income over expenditure | | (1,304,954,483) | 1,731,389,293 |
| Adjustments for: | | | |
| Loss on disposal of fixed assets | | 31,270,518 | - |
| Depreciation | 7 | 333,101,270 | 331,162,395 |
| Interest received | 5 | (2,654,834) | (1,706,860) |
| Amortisation of capital grants | 12 | (197,797,429) | (150,317,039) |
| | | <u>(1,141,034,958)</u> | <u>1,911,593,737</u> |
| Increase/(Decrease) in stock | 8 | 20,279,090 | 16,205,896 |
| Decrease in debtors | 9 | 225,069,095 | (323,480,430) |
| (Increase)/Decrease in creditors | 13 | (123,881,440) | (295,774,939) |
| Net cash (outflow)/inflow from operating activities | | <u>(1,019,568,213)</u> | <u>1,307,478,317</u> |
| Investing activities | | | |
| Interest received | 5 | 2,654,834 | 1,706,860 |
| Purchase of fixed assets | 7 | (105,936,233) | (383,723,689) |
| Net cash outflow from investing activities | | <u>(103,281,400)</u> | <u>(382,016,829)</u> |
| Financing Activities | | | |
| Capital grants received | | 124,006,481 | 364,828,600 |
| TEVET Fund Surplus | | - | 52,179,830 |
| Net cash inflow from financing activities | | <u>124,006,481</u> | <u>417,008,430</u> |
| Net increase in cash and cash equivalents | | <u>(998,843,132)</u> | <u>1,342,469,917</u> |
| Analysis of changes in cash and cash equivalents: | | | |
| Cash and Cash equivalent at beginning of year | | 2,449,978,316 | 1,107,508,399 |
| (Decrease)/Increase during the year | | (998,843,132) | 1,342,469,917 |
| Cash and Cash equivalent at end of year | | <u>1,451,135,184</u> | <u>2,449,978,316</u> |

The notes on pages 6 to 11 form part of these financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 December 2006

1 Principal Activities

The functions of the Authority are to regulate, monitor and coordinate technical education, vocational and entrepreneurship training in consultation with industry, employers, workers and other stakeholders.

2 Principal Accounting Policies

Basis of Accounts Preparation

The accounts are prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

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:

| | |
|-------------------------------|-----|
| Motor vehicles | 25% |
| Office Furniture and Fittings | 20% |
| Office Equipment | 25% |
| Computer Equipment | 25% |
| Computer Software | 25% |

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the stocks to their present location and condition. Cost is determined by the First In First Out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are expressed in Kwacha at the rates of exchange ruling at the Balance Sheet date. Receipts and payments in foreign currencies are translated to Kwacha at the actual rate ruling at the date of the transaction. Exchange differences arising on translations are included in the surplus/(deficit) of income over expenditure.

Government Grants

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 balance sheet by setting up the grant as a deferred income, which is recognised as income on systematic and rational basis over the useful life of the asset.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 December 2006

3 Statement of Directors' Responsibilities

The directors are responsible for preparing accounts 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 and cash flows for each year. In preparing those accounts, the directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed applicable accounting standards.

The directors are responsible for ensuring that the Authority keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority and taking reasonable steps for the prevention and detection of fraud and other irregularities.

4 Statement of the Auditors' Responsibilities

The Auditors have a responsibility to form an independent opinion on the financial statements of the Authority and to report to the members of the Authority whether in their opinion the financial statements give a true and fair view of the state of affairs of the Authority.

5 Income

| | 31 Dec 2006 K | 31 Dec 2005 K |
|-------------------------------|-----------------------|-----------------------|
| Government grants | 1,018,416,670 | 948,335,079 |
| Grants- Danida | 1,710,451,492 | 7,009,196,580 |
| Grant - RNE | 3,051,350,826 | 2,704,000,000 |
| Grant - IDA | 1,303,542,850 | 1,725,298,406 |
| Grant - NUFFIC/NPT | 459,159,600 | 546,959,290 |
| Grant - IDA, TEVET FUND | 2,876,879,820 | - |
| Registration fees | 174,620,000 | 161,080,000 |
| Amortisation of capital Grant | 197,797,429 | 150,317,039 |
| Interest | 2,654,834 | 1,706,860 |
| Other income | 305,197,915 | 39,454,006 |
| Application fees | 200,000 | 500,000 |
| Sale of syllabi | 14,205,750 | 6,920,000 |
| | <u>11,114,477,186</u> | <u>13,293,767,259</u> |

Government Grants are accounted for on receipt basis rather than accrual basis.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2006**

- 6 **Surplus of Income over Expenditure**
The surplus of Income over Expenditure is stated after charging the following: -

| | 31 December 2006 K | 31 December 2005 K |
|----------------|--------------------------|--------------------------|
| Audit fees | 53,908,750 | 32,000,000 |
| Depreciation | 333,101,270 | 331,162,395 |
| Board expenses | <u>92,225,600</u> | <u>73,976,384</u> |

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2006**

7 Tangible fixed assets

| <i>Cost</i> | Motor Vehicles K | Office Equipment K | Furniture & Fittings K | Computer Equipment K | Computer Software K | TOTALS K |
|-----------------------|------------------------|--------------------------|------------------------------|----------------------------|---------------------------|----------------------|
| Balance at 01.01.06 | 835,511,457 | 98,113,206 | 145,724,109 | 508,593,259 | 170,616,936 | 1,758,558,967 |
| Additions | - | 17,092,714 | 6,519,135 | 54,996,166 | 27,328,218 | 105,936,233 |
| Disposals | (455,264,818) | - | - | - | - | (455,264,818) |
| Balance at 31.12.06 | <u>380,246,639</u> | <u>115,205,920</u> | <u>152,243,244</u> | <u>563,589,425</u> | <u>197,945,154</u> | <u>1,409,230,382</u> |
| <i>Depreciation</i> | | | | | | |
| Balance at 01.01.06 | 541,035,343 | 48,598,323 | 78,860,952 | 259,295,167 | 47,007,730 | 974,797,515 |
| Charge for the year | 155,518,209 | 21,107,472 | 20,556,610 | 93,665,352 | 42,253,627 | 333,101,270 |
| Disposals | (423,994,300) | - | - | - | - | (423,994,300) |
| Balance at 31.12.06 | <u>272,559,252</u> | <u>69,705,795</u> | <u>99,417,562</u> | <u>352,960,519</u> | <u>89,261,357</u> | <u>883,904,485</u> |
| <i>Net book value</i> | | | | | | |
| Balance at 31.12.06 | <u>107,687,387</u> | <u>45,500,125</u> | <u>52,825,682</u> | <u>210,628,906</u> | <u>108,683,797</u> | <u>525,325,897</u> |
| Balance at 31.12.05 | <u>294,476,114</u> | <u>49,514,883</u> | <u>66,863,157</u> | <u>249,298,092</u> | <u>123,609,206</u> | <u>783,761,452</u> |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2006**

| | 31 December 2006 K | 31 December 2005 K |
|---|--------------------------|--------------------------|
| 8 Stock | 68,394,745 | 88,673,835 |
| Stationery and office Consumables | | |
| 9 Debtors | 141,605,020 | 161,449,421 |
| Staff receivables | 20,496,516 | 35,656,601 |
| Prepayments | 123,392,484 | 313,457,092 |
| Other receivables | <u>285,494,020</u> | <u>510,563,114</u> |
| 10 Cash and Bank | 99,917,653 | 138,940,528 |
| Citibank-Danida | 64,071,368 | 169,116,321 |
| Citibank-Danida Informal Sector | 422,633,156 | 160,687,268 |
| Citibank-IDA | 531,685,105 | 1,722,516,278 |
| Citibank-RNE | 194,919,112 | 155,660,394 |
| Citibank-TEVETA/GRZ | 92,739,765 | 50,009,143 |
| Standard Chartered Bank-Nuffic/NPT | 45,140,425 | 52,179,830 |
| Stanbic – TEVET Fund | 28,600 | 868,554 |
| Cash in hand | <u>1,451,135,184</u> | <u>2,449,978,316</u> |
| 11 TEVETA Accumulated Fund | 1,993,207,484 | 261,818,191 |
| Balance at 1 January | (1,297,915,078) | 1,731,389,293 |
| (Deficit)/Surplus for the year | <u>695,292,406</u> | <u>1,993,207,484</u> |
| Balance at 31 December | | |
| TEVET Fund Accumulated Fund | | |
| Balance at 1 January /Grant(s) received | 52,179,830 | 180,893,300 |
| Deficit for the year/Expenditure | (7,039,405) | (128,713,470) |
| Balance at 31 December | <u>45,140,425</u> | <u>52,179,830</u> |
| Consolidated Accumulated Fund | | |
| Balance at 1 January/Grant(s) received | 2,045,387,314 | 442,711,491 |
| (Deficit)/Surplus for the year | (1,304,954,483) | 1,602,675,823 |
| Balance at 31 December | <u>740,432,831</u> | <u>2,045,387,314</u> |
| 12 Capital Grants | | |
| Balance at 1 January | 578,362,382 | 363,850,820 |
| Grants received during the year | 124,006,481 | 364,828,600 |
| Amortisation of Capital Grants | (197,797,429) | (150,317,038) |
| Balance at 31 December | <u>504,571,434</u> | <u>578,362,382</u> |

Capital Grants are amortised systematically over the useful lives of the relevant assets acquired using the Capital Grants.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2006**

| | 31 December 2006 K | 31 December 2005 K |
|----------------------------|--------------------------|--------------------------|
| 13 Creditors | | |
| Sundry creditors | 57,657,768 | 21,165,073 |
| Accruals (Note 14) | 415,246,572 | 504,506,409 |
| Gratuity provision | 360,184,273 | 459,594,122 |
| Leave pay provision | 237,354,000 | 221,158,680 |
| Interest payable to Danida | 5,471,935 | 2,802,738 |
| Other creditors | 9,431,033 | - |
| | <u>1,085,345,581</u> | <u>1,209,227,022</u> |
| 14 Accruals | | |
| Consultancy | 42,485,225 | 81,784,300 |
| Communication costs | 1,029,829 | 18,052,924 |
| Necor-computer expenses | 31,232,738 | 31,232,738 |
| Stationery | - | 11,272,500 |
| Printing calendars | 35,250,000 | 62,921,250 |
| Electricity and Water | 1,261,951 | 5,262,600 |
| PAYE | 22,318,750 | 45,114,195 |
| Withholding Tax | 23,445,000 | 42,195,000 |
| Training workshops | 62,722,500 | 114,329,997 |
| CISEP Users | 400,000 | - |
| Audit fees | 36,600,000 | 32,000,000 |
| Others | 158,500,579 | 60,340,905 |
| | <u>415,246,572</u> | <u>504,506,409</u> |

15 Capital commitments

There were no capital commitments as at 31 December 2006.

16 Contingent liabilities

There were no contingent liabilities as at 31 December 2006.

17 Comparative figures

Comparative figures have been reclassified to allow for a meaningful comparison.

18 Subsequent events

There were no subsequent events subsequent to the balance sheet date requiring adjustments to the financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) DIRECT EXPENSES For the Year ended 31 December 2006

Appendix I

| | 31 December 2006 K | 31 December 2005 K |
|---|-----------------------|-----------------------|
| Review – Finance Operations & Procurement Guidelines | - | - |
| Provision of Business Development Services | 13,059,376 | 25,965,408 |
| Staff Competences Enhanced | - | - |
| Comprehensive Human Resource Plan - TEVET Operationalise TEVET Fund | - | 173,180 |
| Workshop – Contract Development | 3,651,600,847 | 799,141,454 |
| 6 National Curricula revised and Approved | 7,488,503 | 374,305,016 |
| 9New Demand Driven Course Syllabi | 267,774,156 | 347,813,222 |
| SCID/CBMT Sensitisation Workshops | - | 212,905,013 |
| Staff Training in Strategic Management | - | 17,356,500 |
| Staff Training in Monitoring & Evaluation | 4,200,000 | - |
| Staff Training W/Shop in Following up C/Dev. | 16,492,000 | - |
| Quality Assurance Systems - Grade 2 & 3 | 5,127,800 | - |
| Regional Meetings | - | 18,775,849 |
| Training Providers Adhere To Quality | 35,679,080 | - |
| Develop TEVET qualification framework | - | 156,236,127 |
| Training, Assessment and qualifications | - | 6,142,598 |
| Develop and review training assessment | 144,031,276 | 195,369,811 |
| Training - Trainers/Instructors in entrepreneurship | - | 127,448,743 |
| Guideline - Entrepreneurship Development & Implementation | - | 2,038,296,939 |
| Team Building Sessions-TEVETA Annual Act | - | 92,004,286 |
| Estab. & Maintain S/Holder Links LMI | 40,582,557 | - |
| Promote Formation & Operation of DTAC's | 32,560,940 | - |
| Upgrade skills of master crafts persons | 77,023,825 | 93,364,026 |
| Conduct sectoral LMI Survey | 2,464,460 | 483,794,471 |
| Promote Innovation skills | - | (28,516,278) |
| Strengthen Quality A/S in TEVETA Inst. | 996,000 | 5,123,400 |
| Improve Accept. Levels of TEVETA & TEVETA Syst. | 294,491,083 | - |
| Balance carried down | 174,521,663 | - |
| | <u>4,768,093,566</u> | <u>4,965,699,765</u> |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
DIRECT EXPENSES (Continued)
For the Year ended 31 December 2006**

Appendix I (cont'd)

| | 31 December 2006 | 31 December 2005 |
|--|----------------------|----------------------|
| | K | K |
| Balance brought forward | 4,768,093,566 | 4,965,699,765 |
| TEVET Institution Registered | 72,056,047 | - |
| Establish Quality Assurance sys. Gr2 & Gr3 | 5,858,500 | - |
| Conduct 300 Inspections & TPs Adherence | 42,405,802 | - |
| TEVETA Qualification Framework | 16,008,140 | - |
| Facilitate Training of Trainers & B/Counselors | 119,173,161 | - |
| Enhance Links - Training Provider & Industry | - | 33,205,565 |
| Enhance Capacity - Training Providers | - | 11,293,455 |
| Implement strategy for mainstreaming CCI | 349,941,186 | 882,082,492 |
| Enhance networking on CCI | 1,231,500 | 13,458,175 |
| Knowledge & Awareness | 1,499,393 | - |
| Improve Knowledge S/holders TEVETA | 17,832,770 | - |
| Promote and implement IEC Strategy | 160,499,213 | 113,155,337 |
| Establish & Improve Org. MSTP with F & A | 32,823,255 | - |
| Acceptance expense - Teveta & Teveta Systems | - | 174,765,399 |
| Facilitate Awareness Campaign | (1,140,825) | 129,901,650 |
| Utilise advisory committees | 6,670,356 | 22,068,922 |
| Review registration process | - | 29,170,153 |
| Facilitate Technical skill Upgrade | 589,062,304 | - |
| Labour Market Information Management | 30,413,841 | - |
| Enhance Capacity in TI FM HR & Proc. | 99,644,680 | - |
| Training System Development | 596,467,609 | - |
| Internal Income generation Costs | 10,997,930 | - |
| Sys. Cont. Prof Dev. - Trainer Acc. Fund | 53,864,425 | - |
| Est. Sys. - Prof. Dev. & Entre. Trainee | 7,362,339 | - |
| Total | 6,980,765,192 | 6,374,800,913 |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) ADMINISTRATION EXPENSES For the Year ended 31 December 2006

Appendix II

| | 31 December 2006 K | 31 December 2005 K |
|-----------------------------------|-----------------------|-----------------------|
| Audit fees | 53,908,750 | 43,450,000 |
| Bank Charges | 18,124,761 | 12,284,316 |
| Cleaning expenses | 15,157,308 | 19,352,232 |
| Depreciation | 333,101,270 | 331,162,395 |
| Board expenses | 92,225,600 | 74,027,932 |
| Electricity and Water | 1,873,704 | 23,085 |
| Preparation of Accounts & Budgets | 15,363,290 | - |
| Foreign Travel | - | 100,000 |
| General Expenses | 17,222,599 | 35,460,757 |
| Insurance and Licenses | 175,273,867 | 154,274,707 |
| Leave and Gratuity | 1,029,837,885 | 836,844,028 |
| Local travel | 3,560,000 | 11,508,520 |
| Motor vehicle expenses | 188,917,796 | 190,592,101 |
| Office expenses | 10,740,280 | 10,845,530 |
| Other personnel costs | 1,527,903 | 3,600,000 |
| Printing and stationery | 64,392,344 | 82,914,134 |
| Repairs and maintenance | 21,965,342 | 31,465,879 |
| Salaries and wages | 2,968,892,661 | 2,655,715,128 |
| Overtime – Fin. & Admin. | 13,749,536 | - |
| Security | 62,274,600 | 57,545,150 |
| Project Management | 145,287,357 | - |
| Settling in allowance | 7,950,000 | 16,687,500 |
| Subscriptions and Donations | 10,210,144 | 11,172,521 |
| Telephone and postage | 73,192,383 | 76,135,261 |
| Internet | 45,689,725 | 41,708,787 |
| Computer Expenses | 27,508,642 | 17,743,681 |
| Utilization of tender committees | 6,240,000 | 3,789,990 |
| Bad debts written off | 18,790,631 | - |
| Stock Adjustment | 14,175,811 | - |
| Loss on disposal of fixed assets | 31,270,518 | 520,000 |
| Other expenses | 3,025,500 | 4,718,923,634 |
| Total | 5,471,450,207 | |

TEVETA

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) EXCHANGE DIFFERENCES For the Year ended 31 December 2006

Appendix III

| | |
|--|----------------------------|
| January Currency Adjustment (Stanchart) | (7,108,797) |
| May Currency Adjustment (Stanchart) | 8,880,305 |
| June Currency Adjustment (Stanchart) | (39,927,391) |
| July Currency Adjustment (Stanchart) | (36,469,214) |
| August Currency Adjustment (Stanchart) | (16,162,608) |
| September Currency Adjustment (Stanchart) | (21,223,569) |
| November Currency Adjustment (Stanchart) | 12,292,825 |
| December Currency Adjustment (Stanchart) | (9,369,184) |
| January Currency Adjustment (Citibank) | 24,882,878 |
| April Currency Adjustment (Citibank) | 23,909,973 |
| May Currency Adjustment (Citibank) | 3,224,946 |
| June Currency Adjustment (Citibank) | (13,898,900) |
| July Currency Adjustment (Citibank) | (1,264,491) |
| August Currency Adjustment (Citibank) | (3,282,409) |
| September Currency Adjustment (Citibank) | 46,092,683 |
| November Currency Adjustment (Citibank) | 21,241,344 |
| December Currency Adjustment (Citibank) | (35,189,707) |
| V Nkole - Balance on imprest (Citibank) | 58,140 |
| TEVETA RNE Refund (Citibank) | 3,658,774 |
| V Sitwala - Validation Fee (Citibank) | 24,208 |
| A Hamweendo Validation Fee (Citibank) | 24,208 |
| Zambia Daily Mail Adverts (Citibank) | 8,330 |
| S Kabaso - Consultancy Fees (Citibank) | 4,726 |
| P Chela - Consultancy Fees (Citibank) | 4,726 |
| P Nyambe - Consultancy Fees (Citibank) | 22,406 |
| E Musafili - Consultancy Fees (Citibank) | 23,732 |
| C Mwitwa - Consultancy Fees (Citibank) | 37,876 |
| L Zulu - Consultancy Fees (Citibank) | 212,840 |
| Chodort Training (Citibank) | 103,122 |
| ZCS MBA Facility Fees (Citibank) | 590,240 |
| Times of Zambia - Adverts (Citibank) | 64,770 |
| Blue Crest Lodge - Accomodation (Citibank) | (133,654) |
| C Sakala - Validation Fees (Citibank) | (36,210) |
| Bank Charge - Exchange Difference (Citibank) | (13,566) |
| Balance carried forward | <u>(38,716,648)</u> |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) EXCHANGE DIFFERENCES (CONTINUED) For the Year ended 31 December 2006

Appendix III (continued)

| | |
|--|----------------------------|
| Balance brought forward | (38,716,648) |
| B Hamweene - Consultancy Fees (Citibank) | 31,211 |
| Solwezi Trades - Consultancy Fees (Citibank) | 20,895 |
| F Mwila - Registration Exercise (Citibank) | 28,195 |
| S Maininga - Transport/Book/Meal Allowance (Citibank) | 68,643 |
| B Choongo - Transport/Book/Meal Allowance (Citibank) | 30,407 |
| Simuzingili - TQF Assessment (Citibank) | 3,476 |
| M Mangolwa - Exchange Difference on Imprest (Citibank) | 806,519 |
| Blue Crest Lodge - Accommodation/Meals (Citibank) | 33,265 |
| CBU - Refund (Citibank) | (700,534) |
| Fairview Hotel - Accommodation & Meals (Citibank) | (187,600) |
| ZCAS - Tuition Fees C Nyalugwe (Citibank) | (36,053) |
| Fringila - Accommodation (Citibank) | 66,461 |
| New Fairmount - Lunch (Citibank) | 70,661 |
| Longacres Lodge - Accommodation & Meals (Citibank) | (351,966) |
| Livingstone Hotel - Accommodation (Citibank) | (317,032) |
| ESAMI (Citibank) | (597,778) |
| I Mushiba - Project Allowance (Citibank) | (51,880) |
| A Tembo - Project Allowance (Citibank) | (51,880) |
| Lodge Serenity - Meals (Citibank) | (336,950) |
| Longacres Lodge - Accommodation & Meals (Citibank) | (9,550) |
| Nortec - Sponsorship C K Chibona (Citibank) | (127,970) |
| C K Chibona - Book Allowance (Citibank) | (7,182) |
| Nortec - Sponsorship E Banda (Citibank) | (128,429) |
| E Banda - Book Allowance (Citibank) | (10,772) |
| Nortec - Sponsorship M Musawa (Citibank) | (128,619) |
| M Musawa - Book Allowance (Citibank) | (28,306) |
| Blue Crest Accommodation & Meals (Citibank) | (256,125) |
| Blue Crest Accommodation & Meals (Citibank) | (180,640) |
| Taj Pamodzi - Trade Test (Citibank) | 304,834 |
| T Simizingili - Balance on Imprest (Citibank) | 45 |
| C Kanyensha - Balance on Imprest (Citibank) | (3,975) |
| T Simizingili - Balance on Imprest (Citibank) | (4,466) |
| TEVET FUND | 7,986,015 |
| Total | <u><u>(32,783,730)</u></u> |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVET FUND INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

Appendix IV

| | 31 December 2006 K | 31 December 2005 K |
|---|-----------------------|-----------------------|
| INCOME | | |
| Grant Royal Netherlands Embassy | 595,700,400 | - |
| Grant IDA | 2,876,879,820 | 180,893,300 |
| Bank Interest | 10,990 | - |
| | <u>3,472,591,210</u> | <u>180,893,000</u> |
| EXPENDITURE | | |
| Direct Expenses | | |
| Window 1: Pre-employment Training | 1,764,532,034 | - |
| Window 2: In Service Training | 538,889,660 | - |
| Window 3: SME/Informal Sector Training | 1,102,867,050 | 128,194,493 |
| Window 4: Investment & Development Fund | 61,857,500 | - |
| | <u>3,468,146,244</u> | <u>128,194,493</u> |
| Administration Expenses | | |
| Bank charges | 3,498,356 | 1,411,628 |
| Exchange differences | 7,986,015 | (892,651) |
| | <u>11,484,371</u> | <u>518,977</u> |
| SURPLUS/(DEFICIT) FOR THE PERIOD | <u>(7,039,405)</u> | <u>52,179,830</u> |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) IDA INCOME AND EXPENDITURE STATEMENT For the Year ended 31 December 2006

Appendix V

| | 31 December 2006 K | 31 December 2005 K |
|---|--------------------------|--------------------------|
| INCOME | | |
| Grant -IDA | 1,303,542,850 | 1,725,298,406 |
| Amortisation of Grant | 98,161,940 | 52,769,988 |
| Other Income | <u>650,500</u> | |
| | 1,402,355,290 | 1,778,068,394 |
| EXPENDITURE | | |
| Direct Expenses | | |
| HRD Plan for TEVETA under NUFFIC/NPT Prg | 124,274,798 | - |
| Facilitate Technical Skills Upgrade | 196,406,132 | - |
| Operationalise Windows 2 & 4 | 70,325,740 | 283,081,583 |
| National curricula revised and approved | 242,973,156 | 347,815,983 |
| Strengthen Quality A/S in TEVET Institution | 37,365,000 | - |
| TEVET Institutions Registered | 14,170,000 | 29,170,153 |
| Establish Quality Assurance Sys. Gr 2 &3 | 5,858,500 | 14,300,849 |
| Conduct 300 Inspection & TPs Adhere Qua. | 13,482,800 | 151,272,097 |
| Utilise Advisory committees | 6,670,356 | 21,905,460 |
| TEVET Qualification Framework | 4,186,780 | - |
| Training Assess. & Qualif. Sys Improved | 135,236,233 | 195,369,811 |
| Syst. cont. prof. Dev -trainer acc. fund | (3,756,400) | - |
| Facilitate Awareness Campaign | (13,645,500) | - |
| Comprehensive Hum. Resource Plan - TEVET | - | 306,950,823 |
| Produce & review 4 New Dem. Driven Course | - | 212,905,013 |
| Develop & review Train Ass. & Quality Imt. | - | 124,990,766 |
| Training of Trainers/Instructors - Entrep. | - | 396,721,753 |
| Improve Acc. Levels of TEVETA & TEVET Systems | - | 46,394,524 |
| Promote & Implement IEC Strategy | <u>84,802,900</u> | 81,752,217 |
| | 918,350,495 | 2,212,631,032 |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
IDA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

Appendix V (Continues)

Administration Expenses

Bank Charges

Exchange Difference

Insurance - Motor Vehicle

Motor Vehicles Expenses

Depreciation

31 December

2006

K

31 December

2005

K

68,317,889

678,376

339,121

97,314,903

166,650,289

(26,153)

7,532,979

6,135,823

46,768,291

60,410,940

SURPLUS OF INCOME OVER EXPENDITURE

317,354,506

(885,673,307)

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) CINOP/NUFFIC INCOME AND EXPENDITURE STATEMENT For the Year ended 31 December 2006

| | 31 December 2006 | Appendix VI 31 December 2005 |
|---|---------------------|------------------------------------|
| INCOME | K | K |
| NUFFIC | 459,159,600 | 546,959,290 |
| Sundry Income | 63 | - |
| | <u>459,159,663</u> | <u>546,959,290</u> |
| EXPENDITURE | | |
| Direct Expenses | | |
| Provision of Business Development Service | 13,059,376 | - |
| Training System Development | 286,097,826 | - |
| Labour Market Information Management | 30,413,842 | - |
| Workshop Contract Development | 7,488,503 | - |
| Staff Training W/Shop in Strategic Management | 4,200,000 | - |
| Staff Training W/Shop Monitor.& Evaluation | 16,492,000 | - |
| Staff Training W/Shop in Follow up C/Dev | 5,127,800 | - |
| Team Building Sessions-TEVETA Annual Act | 40,582,557 | - |
| Comprehensive Human Resource Plan TEVET | - | 388,739,604 |
| Facility Linkages between Training Providers | - | 28,884,044 |
| | <u>403,461,904</u> | <u>417,623,648</u> |
| Administration Expenses | | |
| Project Management | 145,287,357 | - |
| Subscriptions | 270,830 | - |
| Bank Charges | 1,755,561 | 1,570,860 |
| Adherence to reporting requirements | 4,200,000 | 3,000,000 |
| | <u>151,513,748</u> | <u>4,570,860</u> |
| Exchange Difference | (109,087,634) | 77,953,690 |
| | <u>13,271,646</u> | <u>46,811,092</u> |
| SURPLUS OF INCOME OVER EXPENDITURE | | |

TEVETA

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
ROYAL NETHERLANDS EMBASSY
INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

Appendix VII (continued)

| | 31 December 2006 K | 31 December 2005 K |
|---|--------------------------|--------------------------|
| Administration Expenses | | |
| Adherence to Reporting Requirements | 53,992,405 | 31,000,000 |
| Stationery & Consumables | 3,744,500 | - |
| Cleaning Expenses | 567,995 | - |
| General Expenses | 1,310,688 | - |
| Telephone Charges | 57,784,072 | - |
| Water | 1,873,704 | - |
| Internet Services | 34,450,762 | - |
| Computer Expenses | 13,811,143 | - |
| Security Services | 46,743,450 | - |
| Postage | 8,095,833 | - |
| Insurance -Motor Vehicle | 3,743,014 | - |
| Insurance -Computers | 698,163 | - |
| Insurance -Health | 11,327,547 | - |
| Repairs & Maint. Office Equipment | 6,455,000 | - |
| Repairs & Maintenance - General | 8,834,625 | - |
| Motor Vehicles Expenses | 137,390,745 | - |
| Other Expenses | 3,025,500 | - |
| Depreciation | 2,234,792 | - |
| Bank Charges | 2,685,000 | - |
| Overtime -Fin. & Admin. | 4,212,231 | - |
| Leave | 185,422,080 | - |
| Gratuity | 412,578,852 | - |
| Staff Allowances | 732,903 | - |
| Personal Emoluments | 1,232,367,250 | 818,788,029 |
| | <u>2,234,082,254</u> | <u>849,788,029</u> |
| (DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE | <u>(1,076,452,164)</u> | <u>1,618,049,457</u> |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) DANIDA INCOME AND EXPENDITURE STATEMENT For the Year ended 31 December 2006

Appendix VIII

| | 31 December 2006 K | 31 December 2005 K |
|-----------------------|--------------------------|--------------------------|
| INCOME | 1,710,451,492 | 5,638,376,530 |
| Grant-SPS Danida | - | 1,370,820,050 |
| Grant Informal Sector | 97,330,170 | - |
| Amortisation of Grant | 26,617,500 | 26,631,006 |
| Other Income | 11,158,003 | 97,547,050 |
| Sundry Income | <u>1,845,557,165</u> | <u>7,133,374,636</u> |

EXPENDITURE**Direct Expenses**

| | | |
|--|--------------------|----------------------|
| Strengthen Quality A/S in TEVET Institut | 2,000,000 | - |
| TEVET Institutions Registered | 4,192,500 | - |
| Fac.Training of Trainers & B/Counsellor | 29,503,444 | - |
| Promote Formation & Operation of DTACs | 2,758,000 | 89,497,688 |
| Syst. cont. prof. Dev -trainer acc. Fund | 57,620,825 | - |
| Estab. system-Prof. Dev. & Entre Trainee | 978,000 | 92,004,286 |
| Upgrade Skills of Mastercraftpersons | 2,464,460 | 483,621,811 |
| Promote Innovation Skills-Product/Proce | 996,000 | 5,123,400 |
| Facilitate Awareness Campaign | 9,329,479 | 129,380,450 |
| Estab. & Imprv. Org. MSTP with F & A | 1,795,000 | - |
| Implem. strategy for Mainstreaming CCI | 177,448,690 | 930,639,117 |
| Enhance Networking on CCI Among TEVET St | 1,075,000 | 13,408,175 |
| Imprv Accept. Levels of TEVETA 7 TEVET | 5,283,298 | 62,989,125 |
| Guidelines - F/Mgnt Hum R/Mgnt - TEVET | - | 24,590,000 |
| Comprehensive Hum Resource Plan TEVET | - | 48,094,792 |
| Operationalise TEVET Fund | - | 764,034 |
| Revision & Approval of six National Curricular | - | (273,020) |
| SCID/CBMT Sensitisation Workshop. | - | 17,356,500 |
| Establish Quality Ass Syst. Gr 2 & Gr3 | - | 4,475,000 |
| Balance carried forward | <u>295,444,696</u> | <u>1,901,671,358</u> |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
DANIDA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

Appendix VIII (continued)

| | 31 December 2006 K | 31 December 2005 K |
|--|-----------------------------------|-----------------------------------|
| Balance brought forward | 295,444,696 | 1,901,671,358 |
| TPs Adhere Quality | - | (428,200) |
| Dev. & Review Train Ass & Quality Int | - | (7,064,926) |
| Training of Trainers/Instructors - Entre. | - | 1,641,197,596 |
| Establish STACs & Implement skill Dev Plan | - | (28,587,678) |
| Strengthen Cap. Org. Mge & Amin. - TPs | - | 6,531,405 |
| Promote & Implement TEC Strategy | - | 31,131,701 |
| | 295,444,696 | 3,544,451,256 |
| Administration Expenses | | |
| Stationery & Consumables | 59,927,844 | 49,261,402 |
| Cleaning Expenses | 10,386,788 | 11,207,565 |
| Office Refreshments | 10,054,780 | 5,224,660 |
| General Expenses | 162,410 | 969,789 |
| Telephone & Postage | 872,000 | 50,301,312 |
| Computer Expenses | 13,377,500 | 10,791,681 |
| Security Services | 10,354,100 | 44,327,150 |
| Insurance | 26,668,391 | 114,797,316 |
| Repairs & Maintainance - General | 155,600 | 21,278,129 |
| Motor Vehicles Expenses | 26,158,470 | 71,044,135 |
| Depreciation | 223,257,200 | 247,144,061 |
| Leave & Gratuity | 432,066,953 | 754,118,512 |
| Settling In Allowance | 5,517,500 | 6,568,750 |
| Disposal of Assets | 31,270,518 | - |
| Personal Emoluments | 1,077,009,620 | 1,641,968,020 |
| Adherence to Reporting Requirements | 79,710 | - |
| Audit Fees | - | 2,450,000 |
| Bank Charges | 3,801,774 | 8,463,588 |
| Board Expenses | - | 15,384,613 |
| Electricity & Water | - | (31,315) |
| Balance carried forward | 1,931,121,158 | 3,055,269,368 |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
DANIDA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

Appendix VIII (continued)

| | 31 December 2006 K | 31 December 2005 K |
|---|-----------------------------------|-----------------------------------|
| Balance brought forward | 1,931,121,158 | 3,055,269,368 |
| Subscriptions and Donations | - | 10,079,871 |
| Internet Services | - | 26,736,837 |
| Overtime – Fin. & Admin. | 5,592,056 | - |
| Stock Adjustment | 10,497,595 | - |
| Utilisation of Tender Committees | 1,380,000 | - |
| | <u>1,948,590,809</u> | <u>3,092,086,076</u> |
| DEFICIT OF INCOME OVER EXPENDITURE | <u>(398,478,340)</u> | <u>(496,837,304)</u> |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVETA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

Appendix IX

| | 31 December 2006 K | 31 December 2005 K |
|---|--------------------------|--------------------------|
| INCOME | | |
| GRZ Grants | 1,018,416,670 | 948,335,079 |
| Registration Fees | 174,620,000 | 161,080,000 |
| Application Fees | 200,000 | 500,000 |
| Curriculum/Syllabus | 14,205,750 | 6,920,000 |
| Loan Interest | 1,454,796 | 863,069 |
| Bank Interest | 1,026,137 | 412,255 |
| Other Income | 253,620,063 | 12,823,000 |
| Interest Received | 162,911 | 431,535 |
| Sundry Income | 13,151,786 | - |
| | <u>1,476,858,113</u> | <u>1,131,364,939</u> |
| EXPENDITURE | | |
| Direct Expenditure | | |
| HRD Plan for TEVETA under NUFFIC/NPT Prg | 168,034,985 | - |
| Internal Income Generation Costs | 10,997,930 | - |
| Enhance Capacity in TI FM HR & Proc. | 1,349,990 | - |
| Facilitate Technical Skills Upgrade | 4,620,839 | - |
| Operationalise Windows 2 & 4 | 1,171,481 | 3,955,073 |
| Fac. linkages between Training Providers | 35,679,080 | 4,321,521 |
| National curricula revised and approved | 24,801,000 | - |
| Strengthen Quality A/S in TEVET Institut | 253,946,083 | - |
| TEVET Institutions Registered | 53,693,547 | - |
| Conduct 300 Inspection & TPs Adhere Qua. | 13,480,522 | 5,392,230 |
| TEVET Qualification Framework | 11,821,360 | - |
| Training Assess. & Qualif. Sys Improved | 8,795,043 | - |
| Fac. Training of Trainers & B! Counsellor | 70,000 | - |
| Estab. system -Prof. Dev. & Entre Traine | 6,384,339 | - |
| Estab. & Maintain Stakeholder Links LMI | 100,000 | - |
| Estab. & Imprv. Org. MSTP with F & A | 60,000 | - |
| Knowledge & Awareness -TEVET System S/Ho | 30,000 | - |
| Balance carried forward | <u>595,036,199</u> | <u>13,668,824</u> |

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) TEVETA INCOME AND EXPENDITURE STATEMENT For the Year ended 31 December 2006

Appendix IX (continued)

| | 31 December 2006 K | 31 December 2005 K |
|--|-----------------------------------|-----------------------------------|
| Balance brought forward | 595,036,199 | 13,668,824 |
| Guidelines – F/Mgmt, Hmn, R/Mgmt - TEVET | - | 1,375,408 |
| Enhance Capacity F/Mng & HR Mng - TEVET | - | 173,180 |
| Comprehensive Hum. Resource Plan - TEVET | - | (31,380,704) |
| Revision & Approval of 6 Nat. Curricula | - | 270,260 |
| Dev. TEVET Qualification Framework | - | 6,142,598 |
| Dev. & Review Train Ass. & Quali Intl | - | 9,522,902 |
| Training of Trainers/Instructors – Entrep. | - | 377,590 |
| Promote Formation & Operation of DTACs | - | 3,866,339 |
| Upgrade Skills of Mastercraftpersons | - | 172,660 |
| Facilitate Awareness Campaign | - | 521,200 |
| Establish STACs & Implement Skill Dev. Plan | - | 71,400 |
| Strengthen Cap. Org. Mge & Admin. Tps | - | 4,762,050 |
| Implem. Strategy for Mainstreaming CCI | - | (48,556,625) |
| Enhancing Network on CCI among TEVET St. | - | 50,000 |
| Promote & Implement IEC Strategy | - | 271,419 |
| Improve Accept. Level - TEVETA & TEVET Syst. | - | 2,460,500 |
| Utilise advisory Committees | - | 163,462 |
| Balance carried forward | 595,036,199 | (36,067,536) |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVETA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

Appendix IX (continued)

| | 31 December 2006 K | 31 December 2005 K |
|---|-----------------------------------|-----------------------------------|
| Balance brought forward | 595,036,199 | (36,067,536) |
| Administration Expenses | | |
| Personal Emoluments | 659,515,791 | 194,959,084 |
| Adherence to Reporting Requirements | 103,225,525 | 65,643,319 |
| Stationery & Consumables | 720,000 | 33,652,732 |
| Cleaning Expenses | 4,202,525 | 8,144,667 |
| Office Expenses | 685,500 | 5,620,870 |
| General Expenses | 15,749,501 | 34,490,971 |
| Telephone & Postage Charges | 6,440,478 | 25,833,948 |
| Internet Services | 11,238,963 | 14,971,950 |
| Computer Expenses | 320,000 | 6,952,000 |
| Security Services | 5,177,050 | 13,218,000 |
| Insurance & n Licenses | 132,158,376 | 31,944,413 |
| Repairs & Maintainance - General | 6,520,117 | 10,187,750 |
| Motor Vehicles Expenses | 25,029,460 | 113,412,140 |
| Depreciation | 10,294,376 | 37,250,041 |
| Electricity & Water | - | 54,400 |
| Foreign Travel | - | 100,000 |
| Local Travel | 3,560,000 | 11,508,520 |
| Subscriptions | 9,939,314 | 1,092,650 |
| Bank Charges | 6,384,069 | 2,276,020 |
| Overtime -Fin. & Admin. | 3,945,249 | |
| Utilisation of Tender Committees | 4,860,000 | 3,789,990 |
| Leave & Gratuity | (230,000) | 82,725,517 |
| Settling In Allowance | 2,912,500 | 10,118,750 |
| Staff Allowances | 315,000 | 3,600,000 |
| Stock Adj ustment\Other Expenses | 3,678,216 | 520,000 |
| Bad Debts written off | 18,790,631 | - |
| | 1,035,432,641 | 712,067,732 |
| DEFICIT/(SURPLUS) OF INCOME OVER EXPENDITURE | (153,610,727) | 455,364,743 |

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVETA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2006**

VISION

A World-class Technical Education, Vocational and Entrepreneurship Training (TEVET) System Contributing to Economic Development of Zambia

MISSION

In Support of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Policy of the Government of the Republic of Zambia, the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) will:

1. **Develop and maintain** a TEVET system that operates to internationally accepted standards;
2. **Promote** efficient, effective and equitable TEVET delivery, through support services to Training Providers;
3. **Source and optimize** the utilization of resources for TEVET;
4. **Facilitate** improved interactions and communication between TEVET stakeholders;

in order to contribute to the economic development of Zambia.



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