



TEVETA ANNUAL REPORT 2011

SKILLS FOR NATIONAL DEVELOPEMNT

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Vision, Mission and Values

VISION

A World-class Technical Education, Vocational and Entrepreneurship Training (TEVET) System contributing to the 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 will:

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

In order to contribute to the development of Zambia.

VALUES

T	E	V	E	T	A
We at TEVETA adhere to these fundamental values in the conduct of our functions and in our internal and external relationships.		A	Accommodating different opinions		
		L	Loyalty		
		U	Up-right in all our dealings		
		E	Equity and Empathy in all our decisions		
		S	Service above self		

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

MT Ncube and Associates
Lusaka
Zambia

Board Members



Mr. Wamulume Kalabo
Zambia Association of Chambers
of Commerce and Industry
(ZACCI)
Chairperson



Professor Mutale M. Musonda
Copperbelt University
Vice Chairperson



Mrs. Josephine Shamwana-Lungu
Catholic Secretariat
Member



Mr. Andrew Phiri
Permanent Secretary
Ministry of Education
Member



Ms. Bridget M.S. Muyambango
National Institute of Public Administration
(NIPA)
Member



Mr. Chriticles Mwansa
Permanent Secretary
Ministry of Science, Technology
and Vocational Training
Member



Ms. Patience Sakuringwa
Zambia Chamber of Small and Medium
Business Associations (ZCSMBA)
Member



Dr. Winnie Mwenda
Permanent Secretary
Ministry of Labour and Social Security
Member



Ms. Nyangu Kayamba
Zambia Federation of Employers
Member



Dr. Elder Moonga
National Institute for Scientific
and Industrial Research
(NISIR)
Member



Mr. Leonard Hikaumba
Zambia Congress of Trade Unions
Member



Dr. Patrick K. Nkanza
Director General
TEVETA
Secretary

Committee of the Board

Finance and Administration Committee

Professor M. M. Musonda

Chairperson

Mr. L. Hikaumba Zambia Congress of Trade Unions

Permanent Secretary Ministry of Science, Technology and Vocational Training

Permanent Secretary Ministry of Labour and Social Security

Ms. J. Muwo (Accountant) Choice Corporate

Mrs. A. Kalulu Bankers Association of Zambia

Mrs. M. M. Nsemani Director Finance and Administration TEVETA

Secretary

Technical Committee

Mrs. Bridget Muyambango National Institute of Public Administration

Chairperson

Dr. E. Moonga National Institute for Scientific and Industrial Research

Mrs. J. Shamwana Lungu Catholic Secretariat

Mr. F. Bantubonse Chamber of Mines of Zambia

Ms. P. Sakuringwa Zambia Chamber of Small and Medium Business Associations

Representative Ministry of Education

Mr. M. A. K. Simumba Director VET, Ministry of Science, Technology and Vocational Training

Professor S. Simukanga University of Zambia

Mr. S. Patel Zambia Association of Chambers of Commerce and Industry

Mr. O. A. Hachinene Director Training Standards Division - TEVETA

Secretary (1)

Mr. D. C. Chakonta Director Development Division TEVETA

Secretary (2)

Audit Committee

Mrs. J. Shamwana Lungu Catholic Secretariat

Chairperson

Ms. N. Kayamba Zambia Federation of Employers.

Mr A. Simumba Ministry of Science, Technology and Vocational Training

Mr. P. Haboongo Zambia Institute of Chartered Accountants.

Mr. J. J. Kalyongwe Zambia Institute of Purchasing and Supply.

Mrs. M. M. Fulai Internal Auditor TEVETA

Secretary

TEVETA Senior Management



Dr. Patrick K. Nkanza
Director General



Mr. David Chakonta
Director Development Division



Mrs Matilda Nsemani
Director Finance and
Administration Division



Mr Orphan Hachinene
Director Assessments and
Qualifications Division



Mr Cleophas Takaiza
Director Training Standards
Division

Statement From The Chairman



On behalf of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), I have the pleasure to present the Annual Report and Audited Financial Statements for the year 2011.

The year 2011 marked entry into the second decade after the Authority commenced its operations in the year 2000. Annual enrolment growth for the training institution based learning pathway remained marginal from the previous year. However, enrolments on the “Dual Based Training system whereby learning leading to a national qualification took place both in the training institution and the workplace continued to grow; it was boosted by the signing of a Memorandum of Understanding between Government through the then Ministry of Science, Technology and Vocational Training, and First Quantum Minerals Ltd to develop the capacity of Solwezi Trades Training Institute and introduce TEVET Learnership based training delivery. The Board also approved Guidelines for Workplace Based Training that were designed to among other things, mainstream the learning and training that takes at project work sites such as those associated with construction and community development projects. It was envisaged that these initiatives would provide mechanisms for increasing access and participation in TEVET.

Another significant development during the year, was completion of the transfer of TEVET examinations from the Examinations Council of Zambia, to TEVETA in line with the statutory mandate of the Authority. Enactment by Parliament of the Zambia Qualifications Authority Act No. 13 of 2011, firmly entrenched the TEVET Qualifications Framework (TQF) as a sub-framework of the national system which would among other things provide quality standards for recognising learning achievement.

As the year closed the total of registered training institutions stood at 304 compared to 308 the previous year. There was a slight increase on the total learner enrolment of full time students from 32,303 the previous year to 33,234. There was a total of 876 TEVET professionals accredited as trainers, examiners and/or assessors. Demand for new and revised curricula continued to be very strong. Upholding of the required responsiveness through timely review of existing curricula remained a challenge due to resource constraints. Significant growth was registered with respect to candidates sitting for Trade Test Assessments. The number grew from 532 for the April session to 2,305 for the December session. The cumulative number of candidates for Trade Testing stood at 3,742. With initiatives for mainstreaming workplace based learning and training in a rapidly growing economy, this number should rise significantly as we enter and go beyond 2012.

The Board is grateful to the Government of the Republic of Zambia and other stakeholders who continued to support the work and programmes of the Authority.

Mr Wamulume Kalabo

Board Chairman

Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)

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

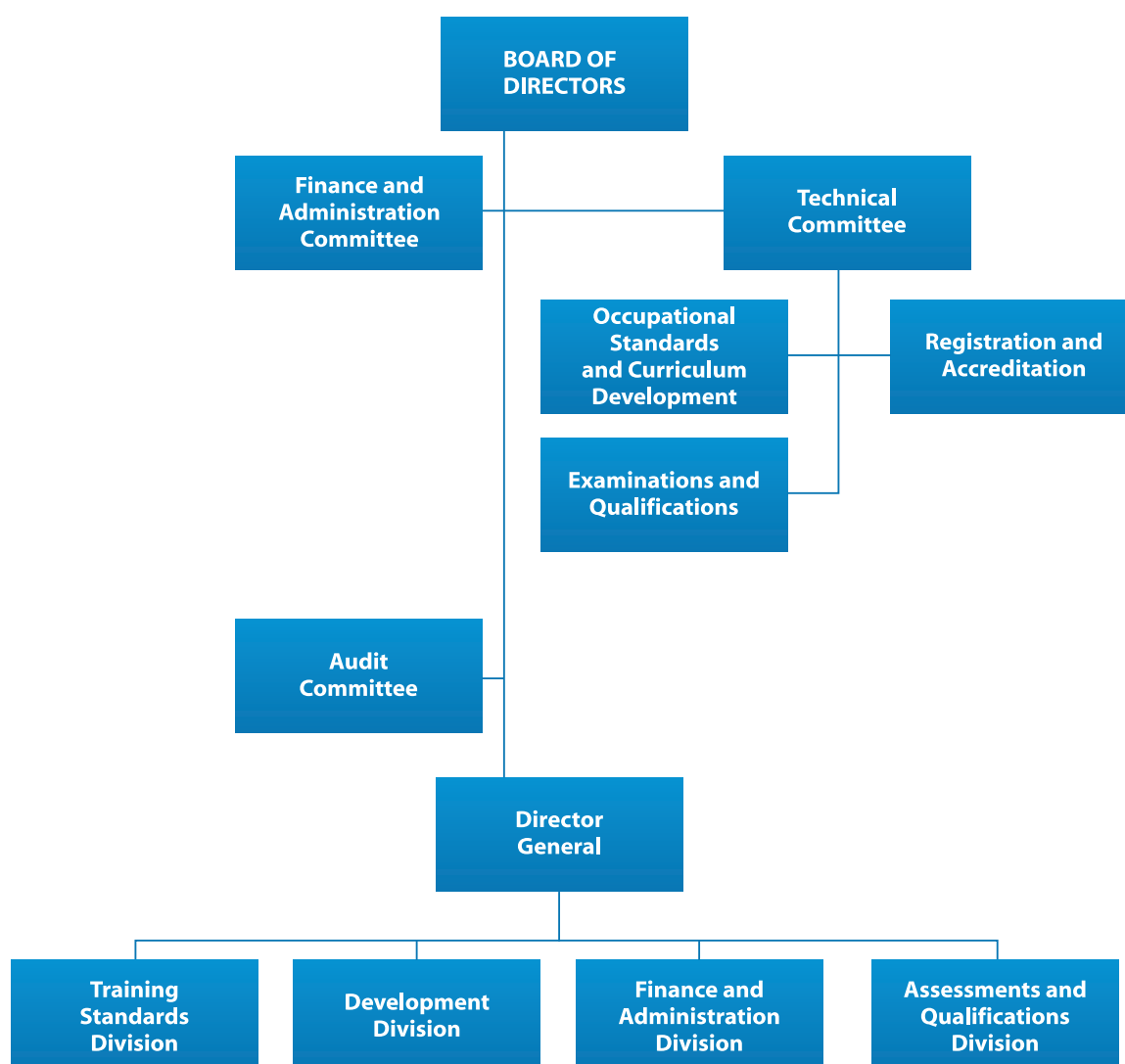
TEVETA is governed by a Board of Directors appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

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



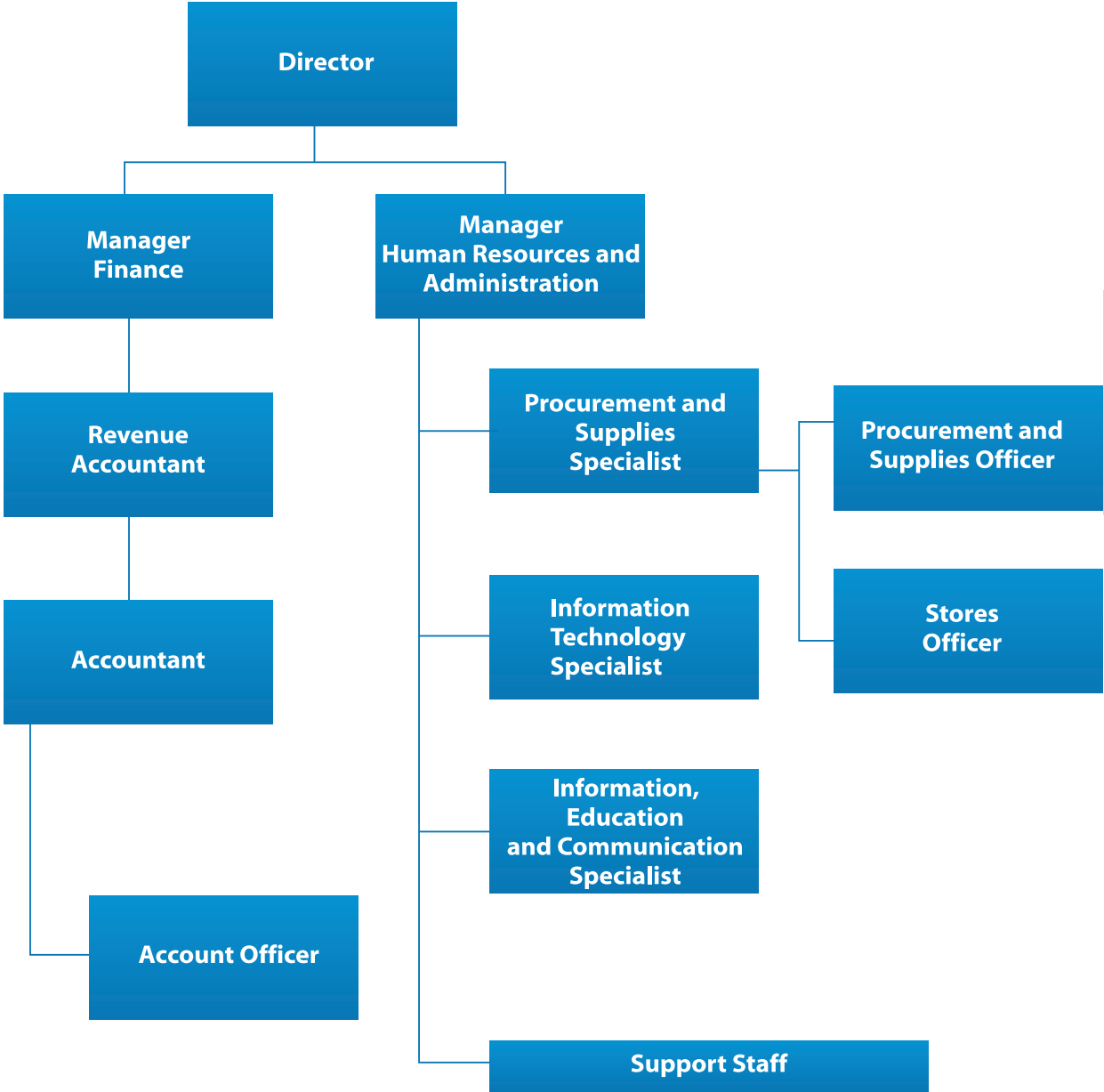
7.3 The Role of TEVETA

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) is organised around four Divisions, under the supervision of the Director General. These are: Development Division, Training Standards Division, Assessments and Qualifications Division, and Finance and Administration Division. 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 2011.

7.3.1 FINANCE AND ADMINISTRATION DIVISION

(a) Structure

Figure 2 : The Finance and Administration Division



(b) Finance Unit

The Unit conducted verification visits to 46 training Institutions in 5 provinces. The visits are aimed at ensuring that Training institutions adhere to the requirements of offering only those programmes that are approved and accredited by the Authority. Further, it is also to ensure that the teaching staff is equally accredited as trainers.

(c) TEVET Fund Unit

In addition, the Unit continued administering funds under the TEVET Financing Strategy. The funds are intended to finance technical skills training in public training institutions. A total of six (06) training institutions benefited as per table below:

NAME OF INSTITUTION	AMOUNT DISBURSED (ZMK)
Evelyn Hone College of Applied Arts and Commerce	2,670,791,750
Livingstone Institute of Business and Engineering Studies	2,316,346,125
Zambia Air Services Training Institute	816,475,000
Lusaka Business and Technical College	797,073,362
Kabwe Institute of Technology	767,700,000
Northern Technical College	2,397,600,000
Total	9,765,986,237

The Unit continued monitoring and evaluating of the above stated institutions on a quarterly basis. This was to ensure that the desired outputs were achieved.

(d) Information, Education and Communications (IEC) Unit

The main objective of the Information, Education and Communication (IEC) programmes for the year under review was to improve public awareness and understanding of TEVET reforms and programmes in response to market demands and skills demand in the country. The unit was actively involved in the dissemination of TEVET information through various media. Key activities towards the unit's objective included broadcasting TEVET information through Radio programmes on Radio Phoenix. The radio programmes were in a series of thirteen.

The unit further took part in the 2011 Career Expo which was held at Mulungushi International Conference Centre. The purpose of the Expo was underpinned by shortcomings of the school system in offering informative career guidance due to lack of information on labour market demands, a situation which disadvantages skills development in the country. The Expo is one of the programmes TEVETA and other stakeholders implement with a focus on career preparedness in technical and vocational training, entrepreneurship and financial literacy. The IEC unit also spearheaded the continued updating of the TEVETA website to ensure that the public was made aware of the happenings in the TEVET sector. In addition, the unit participated in the Zambia International Trade Fair and the Lusaka Agriculture and Commercial Show. These activities gave the unit an opportunity to interact with members of the public to enhance their understanding of TEVETA operations and mandate in the context of demands for skills by the labour market.

(e) Human Resources Development

The Authority had a total staff complement of forty at the end of the period under review. The table below gives a summary of the staff movement during the period under review.

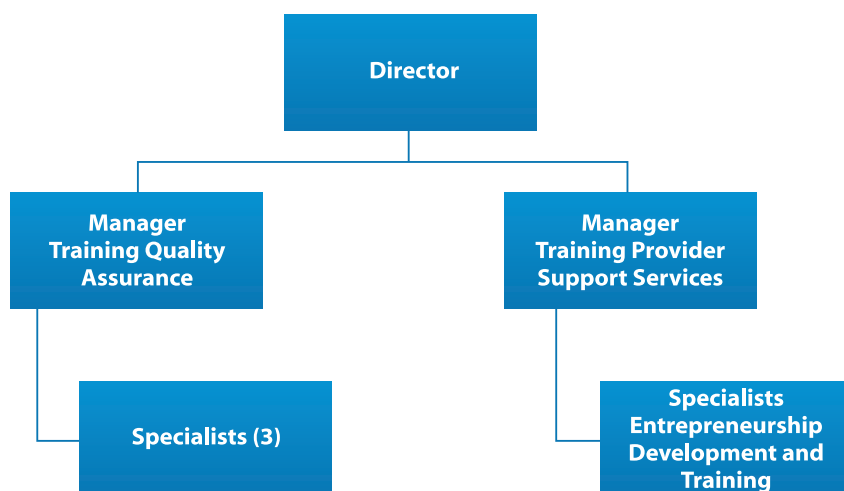
Category	At 31 st Dec '10	Recruited	Promoted	Separated	At 31 st Dec '11	Establishment Approved
Directors and DG	4	0	1	0	5	4
Managers	7	0	0	0	7	8
Specialists	14	1	2	0	17	22
Officers	7	0	-2	-1	4	7
Support	7	0	0	0	7	8
Net Totals	39	1	1	-1	40	49

During the year, the Authority separated with the Curriculum Development Specialist, Accounts Officer, and Procurement and Supplies Specialist. The Authority also lost the Administrative Assistant, who died in February, 2011. However, a number of recruitments were done. These included the positions of Assessments and Examinations Specialists in the Business, Commercial, Hospitality, Aviation and Agricultural programmes, Administrative Assistant, Internal Auditor and IT Specialist.

7.3.2 The Training Standards Division

(a) Structure

Figure 3: The Training Standards Division



The Training Standards Division is responsible for monitoring and enforcing set standards for the provision of Technical Education, Vocational and Entrepreneurship Training (TEVET) in line with the provisions of the TEVET Act number 13 of 1998 and the TEVET Amendment Act number 11 of 2005. This is done through the following activities:

- Inspection and Registration of training institutions
- Accreditation of Examination Bodies, Trainers, Examiners and Assessors
- Provision of Training Provider Support Services
- Promotion of Entrepreneurship Training

(a) Registration of Training Providers

The Division conducted Training Quality Assurance inspections for purposes of registering new training institutions and also to ensure compliance with minimum training standards. During the year sixteen 16 new training institutions were inspected and registered to offer training with TEVETA while 20 training institutions had their registration certificates withdrawn for various reasons. As at December 2011, there were three hundred and four (304) training institutions registered institutions with a total student full time enrollment of 33,240.

TABLE 1: Registered Institutions by Ownership as at 31st December 2011

OWNERSHIP	NUMBER OF REGISTERED INSTITUTIONS			
	2008	2009	2010	2011
Public / Government	58	78	80	87
Private	107	107	107	96
Church	59	66	66	65
Community	8	6	10	9
Trust	14	14	16	14
Company	10	14	14	15
NGO	20	18	15	18
TOTAL	276	304	308	304

CHART 1: Distribution of registered training institutions by province - Dec. 2011

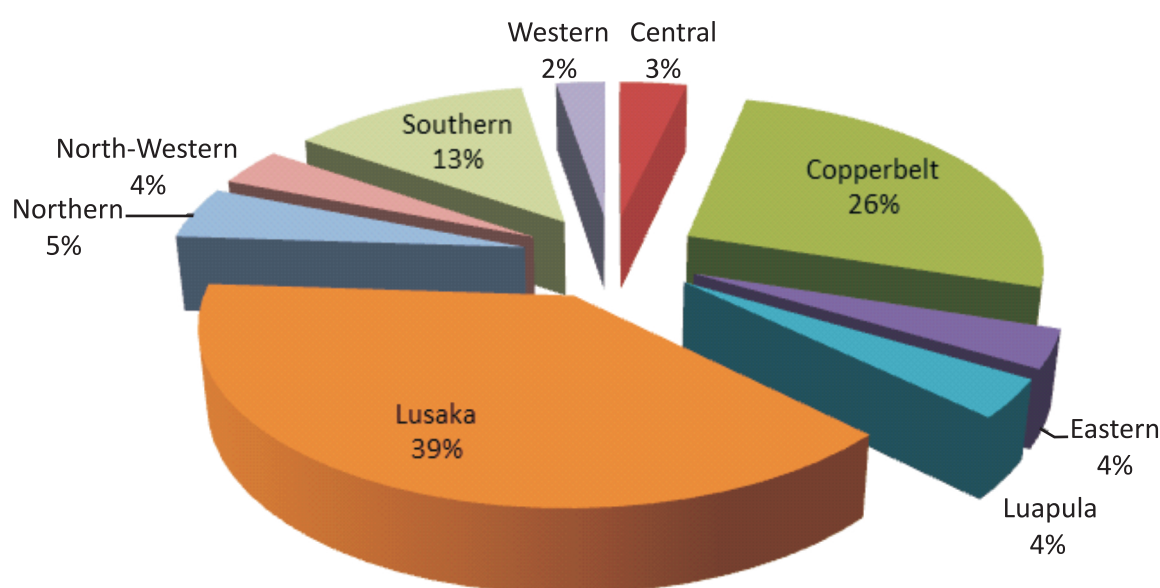


TABLE 2: Student Enrollments by Programme and Gender (2008 2011)

PROGRAMMES	2008		2009		2010		2011	
	Male	Female	Male	Female	Male	Female	Male	Female
Business Studies	6,300	5,918	6,930	6,509	7,338	6,990	7,558	7,270
Secretarial Studies	3	1,428	0	1,499	0	1,574	0	1,621
Hotel and Tourism	1,120	2,542	1,176	2,669	1,234	2,194	1,271	2,282
Media and Applied Arts	1,010	1,990	1,061	2,089	1,113	2,194	1,146	2,260
Paramedical	160	180	168	189	176	199	181	205
Aviation	95	7	110	10	135	12	139	12
Craft Programmes	6,702	900	6,903	950	7,148	992	7,219	1,032
Advanced Certificate / Technician programmes	4,000	567	354	55	414	80	426	85
Diploma / Technologist programmes	460	17	483	18	490	20	505	21
TOTAL	19,850	13,549	17,185	13,988	18,048	14,255	18,446	14,787
Percentage	59%	41%	55%	45%	55%	45%	56%	44%
TOTAL ANNUAL ENROLMENTS	33,399		31,173		32,303		33,234	

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

In the overall context of promoting quality, all Trainers, Assessors and Examiners that conduct any activity related to technical education, vocational and entrepreneurship training are required to seek accreditation with TEVETA. In this regard, a total of 983 applications were received for all the 3 categories of accreditation in the year 2011 and 876 of them were successful broken down as shown in the table below.

Table 3: Accreditation Status for the Trainers, Assessors and Examiners

Description	Provisional	Full	Total
Trainer	150	371	521
Assessor	34	99	133
Examiner	48	174	222
Total	232	644	876
Not accredited	107		

Further, the TEVET Amendment Act number 11 of 2005 mandates TEVETA to accredit all local and foreign examinations that are taken by persons attending courses at institutions established or registered under the TEVET Act number 13 of 1998. During the year 2011, five (5) foreign Examination Boards were successfully accredited with TEVETA. As at 31st December 2011, a total of twelve (12) Examination Boards were accredited with TEVETA as listed in the table below:

Table 4: List of Accredited Examination Boards in TEVET.

1	Association of Accounting Technicians (AAT)	7	Institute for the Management of Information Systems (IMIS)
2	Association of Business Executives (ABE)	8	Institute of Certified Bookkeepers (ICB)
3	Association of Business Managers and Administrators (ABMA)	9	Institute of Commercial Management (ICM)
4	Association of Chartered Certified Accountants (ACCA)	10	International Computer Driving License (ICDL)
5	Certified Commerce Industry Personnel (CCIP)	11	London Centre of Marketing (LCM)
6	City and Guilds	12	Society for Business Practitioners (SBP)

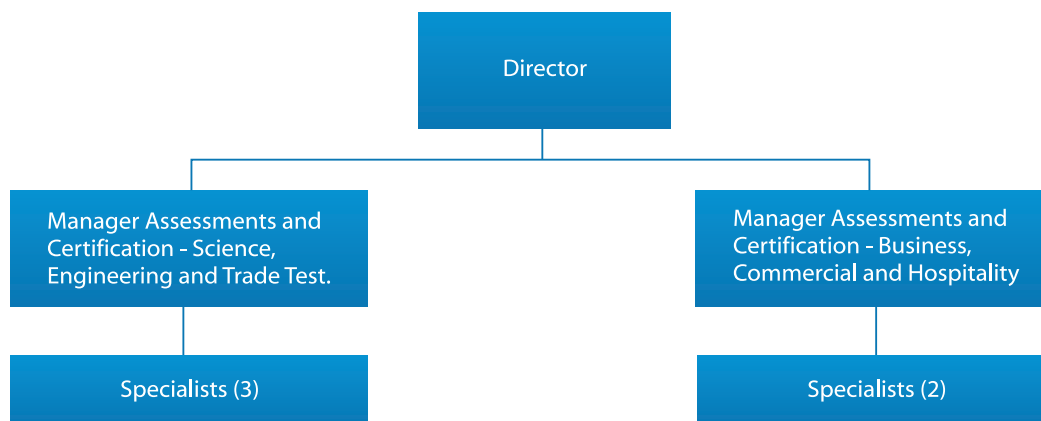
(d) Provision of Training Provider Support Services

Advisory services were provided to Registered Training Institutions in management of Training function and Training Institutions. TEVET Standards and Guidelines for Internal Quality Assurance have been developed to streamline work of quality assurance committees in registered training institutions.

7.3.3 The Assessments and Qualifications Division

(a) Structure

Figure 4: Assessments and Qualifications Division



(b) Assessments and Qualifications Division is responsible for:

- a) Conducting national examinations and assessments
- b) Co-ordinating apprenticeship and trade testing
- c) Determining equivalences of local and foreign examinations
- d) Awarding certificates

(c) Administration and Conduct of TEVET Examinations and Assessments

TEVET examinations were conducted for all the three sessions: April 2011, August 2011 and December 2011 respectively. The general performance was as follows:

Table A: April 2011 TEVET examinations

S/N	PROGRAMME	NO. SAT	NO. PASSED	NO. FAILED	%PASS RATE
1	Commercial, Secretarial, Media and Applied Arts	39	31	8	79%
2	Business and Hospitality	11	10	1	91%
3	Mechanical and Automotive Engineering	130	69	61	53%
4	Sciences and Aviation	10	8	2	80%
5	Electrical Engineering	32	10	22	31%
6	Construction	0	0	0	
	Totals	222	128	94	
	Overall Pass Rate				58%
7	Trade Testing	532	525	7	99%

Table B: August 2011 TEVET examinations

S/N	PROGRAMME	NO. SAT	NO. PASSED	NO. FAILED	%PASS RATE
1	Commercial, Secretarial, Media and Applied Arts	91	58	33	64%
2	Business and Hospitality	69	12	57	17%
3	Mechanical and Automotive Engineering	278	102	78	37%
4	Sciences and Aviation	0	0	0	
5	Electrical Engineering	387	234	153	60%
6	Construction	0	0	0	
	Totals	825	406	419	
	Overall Pass Rate				49%
7	Trade Testing	905	878	27	97%

Table C: December 2011 TEVET examinations

S/N	PROGRAMME	NO. SAT	NO. PASSED	NO. FAILED	%PASS RATE
1	Commercial, Secretarial, Media and Applied Arts	1320	775	545	59%
2	Business and Hospitality	1346	549	797	41%
3	Mechanical and Automotive Engineering	1722	1178	544	73%
4	Sciences and Aviation	480	212	268	44%
5	Electrical Engineering	1059	622	437	59%
6	Construction	466	207	259	44%
	Totals	6393	3543	2850	
	Overall Pass Rate				55%
7	Trade Testing	2305	2122	183	92%

(d) Conducting national examinations and assessments

TEVET Examinations and assessments were conducted in the year 2011. A total of 7440 candidates were examined out of which 4077 passed their examinations. This indicated a pass rate of 55%.

(e) Co-ordinating trade testing assessments

During the year under review, a total of 3742 candidates were tested and 3128 candidates passed. This indicates a pass rate of 84%.

(f) Determining equivalences of local and foreign examinations

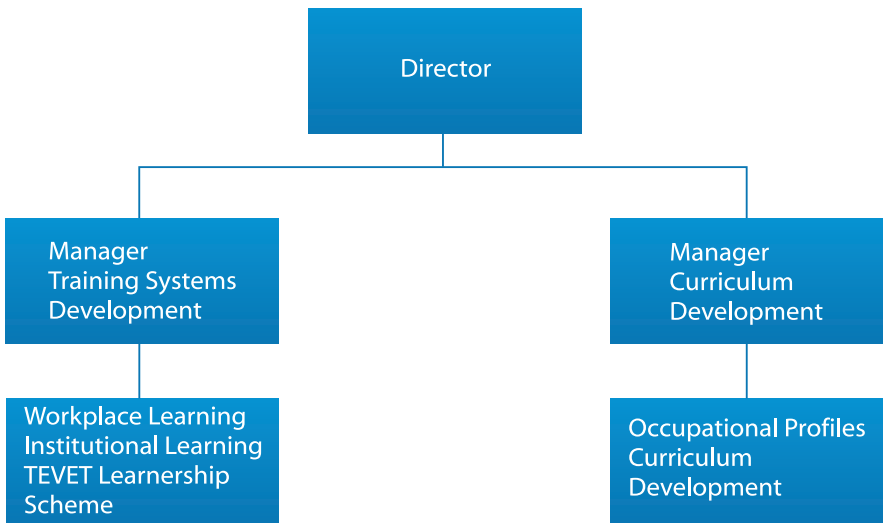
In the year under review, a total of 23 equivalences and 33 exemptions were granted. The numbers are increasing and the Division has identified the need to employ a person to administer this activity in view of the National Qualification (NQF) Framework to be implemented.

The Division carried out the tasks as indicated in the annual work plan and budget effectively and efficiently. Set targets were carried out and met effectively, though the Division could do better with availability of more human resource. It is hoped that this will be implemented in 2012.

7.3.4 Development Division

(a) Structure

Figure 5: Development Division



The Development Division is responsible for setting standards, developing guidelines, and providing advisory services with respect to the content, learning outcomes, and quality of the learning environment; as well as standards and guidelines for the design and implementation of delivery systems aimed at facilitating and promoting increased access to TEVET by the Zambian labour force population through a variety of learning pathways. This is done through the following functions:

- a) Training systems development;
- b) Curriculum development

During the period under review Manager Training Systems Development Mr Cleophas Takaiza was promoted to the position of Director Training Standards.

4.1.3.1 Training Systems Development

4.1.3.1.1 Promotion of TEVET Learnership model as a learning pathway.

In the first Quarter of the year under review, an evaluation meeting of the pilot TEVET Learnership Programme involving Zanaco and the three training institutions (Zambia Insurance Business College Trust, ZAMIM Chingola campus, and the Zambia Institute of Business Studies and Industrial Practice). There was general consensus that the pilot initiative had generally achieved its intended objectives. Communication and co-ordination were identified as areas requiring improvements as the programme expanded. There was a 30% uptake of the total graduates in terms of employment with the participating employer. Enrolments grew from 119 learners at the end of Quarter 1 to 178 by the close of the year. This represented about a 50% growth; growth and continued investments in the mining sector was the underpinning factor.

Sensitisation meetings were conducted with a number of mining companies.

4.1.3.1.2 Promotion of Open and Distance Learning in TEVET.

TEVETA participated in two (2) SADC regional workshops. One was on TVET Open and Distance learning (ODL) policy generic template development for member states; and the other was concerned with validation of baselines studies undertaken in member states in which TEVETA was one of the key informants for the Zambian country assessment.

4.1.3.1.3 Recognition of Prior Learning.

Recognition of Prior learning Guidelines were approved for use to facilitate access to TEVET by individuals who would have acquired the competences they are using in the labour market through non-formal learning in a work place situation, by affording them formative and/or terminal assessments to nationally recognize their learning

achievement.

4.1.3.1.4 Workplace Based Open Learning Guidelines

Guidelines for open learning based on learning opportunity situations such as those provided by community driven infrastructure development projects were developed and approved, based on lessons and experiences gained from working an international NGO Build-IT. These should work complementary to the RPL at implementation stage.

4.1.3.2 Curriculum Development

TEVETA has adopted with slight modifications the Systematic Curriculum and Instructional Design (SCID) methodology for curriculum development which involves expert teams from industry practitioners of a targeted job combined with instructional or teaching experts from learning institutions who have in addition to technical qualification also have a teaching qualification. It consists of the following main steps:

1. Job Profile development;
2. Curriculum Chart or Framework development;
3. Detailed Syllabus development;
4. Curriculum documents validation;
5. Curriculum approval;
6. Qualification Descriptor development;
7. Post-Approval editing;
8. Dissemination/distribution;

Table 7: 2011 Curriculum development performance summary

S/n	TEVET Curriculum Development Stage	Planned/Target	Actual	Remarks
1	Development of Job Profiles	6	38	Cost sharing with lead stakeholders combined with batching strategies for curriculum document drafting accounted for the rather positive variances on the majority of the development cycle stages.
2	Review existing curricula	4	5	
3	Develop new curricula at various certification levels	2	13	
4	Develop Qualification Descriptors for approved curricula	25	22	
5.	Validate curricula at various certification levels	8	14	
6	Evaluate curricula	5	3	
7	Approve Curricula	6	20	

4.1.3.2.1 Curriculum approval

A total of twenty one (21) curriculum documents went through the full cycle and were submitted for approval by the Occupational Standards and Curriculum Sub-Committee of the Board. Out of these twenty (20) were approved. Table 8 shows details of the curriculum documents.

Table 8 : No. of Curriculum documents approved in 2011				
S/n	Curriculum Title	TEVET Qualifications Framework (TQF) Level/Skills Award	Training Programme Duration Category	Old or New Curriculum
1	Diploma in Electrical Technology	TQF Level 6	Long	Old
2	Advanced Certificate Electrical Engineering	TQF Level 5	Long	Old
3	Craft Certificate in Electrical Engineering	TQF Level 4	Long	Old
4	Diploma in Records Management	TQF Level 6	Long	Old
5	Skills Award in Road Construction Maintenance	Skills Award	Short	New
6	Skills Award in Building Works Supervision	Skills Award	Short	New
7	Skills Award in Computer Aided Design	Skills Award	Short	New
8	Skills Award in Contract Management	Skills Award	Short	New
9	Certificate in Child Care Development	TQF Level 4	Long	New
10	Certificate in Science Laboratory Technology	TQF Level 4	Long	New
11	Skills Award in Construction materials Testing	Skills Award	Short	New
12	Skills Award in Child Trauma management	Skills Award	Short	New
13	Skills Award in Community Natural Resources Management	Skills Award	Short	New
14	Skills Award in Basic Land Surveying	Skills Award	Short	New
15	Skills Award in Management of Civil Engineering Processes	Skills Award	Short	New
16	Diploma in Science Laboratory Technology	TQF Level 6	Long	Old
17	Advanced Certificate in Science Laboratory Technology	TQF Level 5	Long	New
18	Craft Certificate in Mineral Processing	TQF Level 4	Long	New
19	Advanced Certificate in Mining	TQF Level 5	Long	Old
20	Diploma in Biomedical Engineering Technology	TQF Level 6	Long	New
Note: A total of twenty one (21) curriculum documents were submitted for approval during the year out of which twenty (20) were approved.				

The total portfolio of approved curricula at the close of the year was two hundred and twenty six (226). This includes curricula inherited from the former Department of Technical Education and Vocational Training.

As the year closed, a number of curriculum documents were at the various stages of the Curriculum Development cycle. Table ... shows the summary of work in-process.

Table 9: Curriculum development or review work in process as at 31st December 2011.

S/n	Activity Description	No. of Curriculum Documents Pending
1.	Job profiles awaiting (new) curriculum chart development	7
2.	Job profiles pending (old) curriculum chart review	14
3	Curriculum Charts awaiting Syllabus detailing	5
4	Curriculum Charts and detailed Syllabi awaiting validation	14
Total:		40

4.3.2.2 The Curriculum responsiveness challenge.

Government has set forth a policy measure to the effect the national system for providing Technical Education, Vocational and Entrepreneurship Training (TEVET) must sustainably and continually respond to social and economic needs and demands of the country. In order to ensure this responsiveness of the Zambian TEVET system, the TEVETA Board has prescribed an internal operational standard of revising curricula within fixed time cycles as follows:

1. Curricula for training Programmes of duration of two (2) years or less and leading to a Qualification on TQF Level 4,3, or below, curricula has to be reviewed every four (4) years;
2. Curricula for Programme duration of above two (2) years but less or equal to three (3) and half years and leading to a Qualification on TQF Level 5 or 6, has to be reviewed every five (5) years;

This institutional policy implies that a number of curricula will fall due for revision every year; in addition, stakeholders flag gaps and needs for new curricula to be developed for the first time on a continuous basis. Table 10 shows the actual and projected number of TEVET curricula that will fall due for review or first time development as new curricula between 2011 and 2017.

Table 10: 201 -2017 Projected workload for Curriculum development and revision

Qualification Level	2011 - 2017 Projected No. of Curricula for review or development per year						
	2011	2012 (NB. Almost 100% B/forward from 2011)	2013	2014	2015	2016	2017
Level 6	25	25	8	8	8	6	25
Level 5	25	23	8	8	8	5	23
Level 4	60	60	20	20	20	60	20
Level 3	18	21	7	7	7	21	7
Skills Award/Trade Test Level II & III	37	45	15	15	15	45	15
TOTAL:	165	174	58	58	58	137	90

The following assumptions had been made in making the foregoing projections:

1. A significant proportion of the backlog of curricula requiring review or development will be cleared in 2012 based on the GRZ Capital Grant funding submitted to Ministry as part of the TEVET Examinations capacity building for TEVETA in the 2012 budget;
2. Requests for new curricula for 2013, 2014 and 2015 will be a maximum of 33% of the 2012 quantities;
3. The minimum cost to produce one (1) curriculum document from Job profile development or review, through drafting, validation and approval to acceptable quality standards is about ZMK35,000,000.

Outlook for 2012

The continued growth of the economy of Zambia, in all sectors, will result in increased demand for skilled human resources, while the steady output from the school system will continue to exert social demand pressure. Further, the training system will be required to deliver graduates who will have been sufficiently prepared for the world of work. The high proportion of youth in the population, and the consequent problems of youth unemployment, will continue to present demand for the design and development of variety learning and training methods in order to increase access to skills development for employment in both the formal and non-formal sectors. Policy measures and strategies that seek to establish and maintain sustained financing skills development through TEVET which is indexed or aligned to the continued growth of the economy would be a welcome initiative.

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

M. T Ncube and Associates

Chartered Accountants

Plot 201, Kasangula Road, Roma, PO Box 35550, Lusaka, Zambia

Telephone: 260 211 291386, Telefax: 260 211 293004, E-mail: mtnspec@zamnet.zm

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2011

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TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31st December, 2011

MANAGEMENT & CORPORATE DATA

Board of Directors

Name	Position	Institution
Mr. W. Kalabo	Chairperson	ZACCI
Prof. M. Musonda	V/Chairperson	CBU
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hikaumba	Member	ZCTU
Permanent Secretary	Member	Ministry of Education
Ms B. M. S. Muyambango	Member	NIPA
Dr. E. Moonga	Member	NISIR
Mrs. J. S. Lungu	Member	Catholic Secretariat
Mr. N. Kayamba	Member	ZFE
Permanent Secretary	Member	Ministry of Science Technology & Vocational Training
Permanent Secretary	Member	Ministry of Labour and Social Security
Dr. P. K. Nkanza	Board Secretary	TEVETA

Senior Management

Dr. P. K. Nkanza	Director General
Mrs. M. M. Nsemani	Director Finance and Administration
Mr. D.C. Chakonta	Director Development Division
Mr. O.A. Hachinene	Director Assessments and Qualifications
Mr. C. S. Takaiza	Director Training Standards Division

Bankers

Citi Bank Zambia Limited
Stanbic Bank
Zambia National Commercial Bank Plc

Auditors

M T Ncube and Associates

Registered Office

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

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31st December 2011

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:-

- (a) The Income and Expenditure Statement is drawn up so as to give a true and fair view of deficit for the year ended 31 December 2011;
- (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 at 31 December 2011;
- (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.

Consequently, the financial statements on Pages 6 to 20 were approved by the Directors at a Board meeting held on.....and signed on its behalf by:

Signature: _____ Signature: _____
Board Chairperson Board Secretary

M. T Ncube and Associates

Chartered Accountants

Plot 201, Kasangula Road, Roma, PO Box 35550, Lusaka, Zambia

Telephone: 260 211 291386, Telefax: 260 211 293004, E-mail: mtnspec@zamnet.zm

AUDITORS' REPORT TO THE MEMBERS OF:

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) for the year ended 31 December 2011 set out on pages 6 to 20. These financial statements comprise the statement of financial position at 31 December 2011, statement of comprehensive income, statement of changes in capital and reserves and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

RESPONSIBILITIES OF THE DIRECTORS

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998. This responsibility includes: the 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.

AUDITOR'S 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 procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the 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 the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial Statements give a true and fair view of the financial position of the Authority as at 31st December 2011 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 Act No. 13 of 1998 & TEVET (Amendment) Act No. 11 of 2005 and the Public Finance Act of 2004.

MT Ncube and Associates
Chartered Accountants

Lusaka
18 June 2012

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF FINANCIAL POSITION

As at 31ST December 2011

	NOTES	2011 ZMK	2010 ZMK
ASSETS			
Non – Current Assets			
Property, plant and equipment	5	<u>894,019,743</u>	<u>1,102,488,558</u>
Current Assets			
Inventories		179,260,595	151,782,117
Receivables	7	1,712,733,460	1,277,873,405
Cash and cash equivalents	8	<u>2,253,044,036</u>	<u>1,486,653,376</u>
		<u>4,145,038,091</u>	2,916,308,898
TOTAL ASSETS		<u>5,039,057,834</u>	<u>4,018,797,456</u>
CAPITAL RESERVES AND LIABILITIES			
Capital and Reserves			
Capital fund		2,951,415,724	2,495,425,221
Capital grant		<u>102,722,471</u>	<u>204,181,848</u>
Non-current liabilities		<u>3,054,138,195</u>	<u>2,699,607,069</u>
Current Liabilities			
Other payables and short term provision	9	<u>1,984,919,639</u>	<u>1,319,190,387</u>
TOTAL CAPITAL RESERVES AND LIABILITIES		<u>5,039,057,834</u>	<u>4,018,797,456</u>

The responsibility of the Authority's Board of Directors with regard to the preparation of the financial statements is set out on page 3. The financial statements on pages 6 to 20 were approved by the Board of Directors on and were signed on its behalf by:

Board Chairperson

Board Secretary

The notes on pages 10 to 20 form part of the financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2011

		2011 ZMK	2010 ZMK
	Notes		
Income	2.3	22,850,636,852	17,946,464,207
Expenditure			
Direct Expenses	Appendix 1	(14,110,938,395)	(12,360,529,328)
Administration Expenses	Appendix II	(8,283,707,954)	(7,444,872,037)
Exchange Differences		-	1,886,126
Surplus/(deficit) of income Over expenditure	3	<u>455,990,503</u>	<u>(1,857,051,032)</u>

The notes on pages 10 to 20 form part of the financial statements

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

For the year ended 31st December, 2011

	Capital fund ZMK	Capital Grant ZMK	Total ZMK
Balance on 1 January 2010	4,352,447,253	330,877,780	4,683,354,033
Amortization of Capital Grant	-	(126,695,932)	(126,695,932)
Deficit of income over expenditure 31 December 2010	(1,857,051,032)	-	(1,857,051,032)
At 31 December 2010	<u>2,495,425,221</u>	<u>204,181,848</u>	<u>2,699,607,069</u>
Balance on 1 January 2011	2,495,425,221	204,181,848	2,699,607,069
Amortization of Capital Grant	-	(101,459,376)	(101,459,376)
Surplus of income over expenditure 31 December 2011	455,990,503	-	455,990,503
At 31 December 2011	<u>2,951,415,724</u>	<u>102,722,472</u>	<u>3,054,138,195</u>

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Capital Fund

The Capital Fund represents surplus income which the Authority has retained from Government funding for its operations.

Capital Grant

Capital grants are deferred and credited to the income and expenditure statement in annual installments over the expected useful lives of the related assets.

The notes on pages 10 to 20 form part of the financial statements.

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

STATEMENT OF CASH FLOWS

For the year ended 31st December 2011

	NOTES	2011 ZMK	2010 ZMK
CASHFLOW FROM OPERATING ACTIVITIES			
Excess/(deficit) of income over expenditure for the year		455,990,503	(1,857,051,032)
Adjustment in for non cash items			
Interest income	2.3	(1,710,877)	(8,896,462)
Depreciation	5	473,627,934	406,012,353
Amortization of capital grant		<u>(101,459,376)</u>	<u>(126,695,932)</u>
		826,448,184	(1,586,631,073)
Changes in working capital			
(Increase)/decrease in inventories		(27,478,478)	11,577,063
Increase in receivables		(434,860,055)	(313,342,366)
Increase in other payables		665,729,252	201,102,175
Net cash inflows/(outflows) from operations		<u>1,029,838,902</u>	<u>(1,687,294,201)</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Interest income	2.3	1,710,877	8,896,462
Purchase of property, plant and machinery	5	(265,159,119)	(431,516,874)
Net cash outflows on investing activities		<u>(263,448,241)</u>	<u>(422,620,412)</u>
NET CASH INFLOWS/ (OUTFLOWS)		<u>766,390,660</u>	<u>(2,109,914,613)</u>
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at the beginning of the year		1,486,653,376	3,596,567,989
Increase/(Decrease) during the year		766,390,660	(2,109,914,613)
Cash and Cash equivalents at end of the year	8	<u>2,253,044,036</u>	<u>1,486,653,376</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31ST December 2011

1. Establishment

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) was established under the Technical Education, Vocational and 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 are the Financial Statements of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) established in terms of the Technical Education, Vocational and Entrepreneurship Training (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 1 January 2008 to 31st December 2008. These Financial Statements comply with Generally Accepted Accounting Practice (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 recognized 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 recognized as income on a systematic and rational basis over the useful life of the asset.

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 (Contd)

For the year ended 31ST December 2011

Component	ZMK 31 December 2011	ZMK 31 December 2010
Government Grants Revenue	6,470,120,604	5,944,166,666
Government Grants-Tevet Fund	10,162,000,000	8,319,306,352
Grant – EKN	-	(727,763,107)
Government Grants Examination	1,011,120,000	545,800,000
Grant – NUFFIC/NPT	-	(415,126,212)
TEVET Fund Administrative Fee	550,500,000	222,161,004
Registration Fees	200,833,336	60,233,334
Accreditation Fees	1,137,850,000	1,235,492,877
Examination Fees	3,130,133,000	2,185,789,000
Amortization of the Capital Grant	101,459,376	126,695,932
Interest	1,710,878	8,896,462
Other Income	64,587,939	386,010,899
Sale of Syllabi	20,821,720	54,801,000
TOTAL	<u>22,820,636,852</u>	<u>17,946,464,207</u>

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:

Motor Vehicles	25%
Office 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 business. 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 cash flows.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2011

2.6 Inventories

Inventories consist of consumables. Inventories are stated in the balance sheet 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 realizable value takes into account all directly related costs to be incurred in selling the inventories.

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. It has no instruments that include a floating interest rate.

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 customer. All operating segments used by the Authority meet the definition of a reportable segment under IFRS 8.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2011

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

IAS 23 Borrowing Costs

Before the Standard was revised entities had the option to capitalize 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 capitalized 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 recognized 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:

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2011

The interpretation does not specify the accounting for infrastructure that was held and recognized as property, plant and equipment by the operator before entering the service arrangement. The recognition requirements of IFRSs (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 recognized 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 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.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2011

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

2.14 Retirement benefits

The Authority provides for Pension benefits for all employees as provided for by terms provided in the statutory instrument No.119, and in line with the Authority's conditions of service. On 1 February 2000, the National Pensions Authority (NAPSA) also 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. Excess of expenditure over income for the year

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

	ZMK 31 December 2011	ZMK 31 December 2010
Audit fees	130,400,000	38,298,120
Gratuities	890,371,739	929,107,327
Leave	200,445,820	456,018,895
Depreciation	473,627,934	406,012,354
Board fees and expenses	225,693,597	182,292,610

4. Taxation

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

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2011

5. Property, Plant and Equipment							
	Land & Buildings ZMK	Motor Vehicles ZMK	Office Equipment ZMK	Furniture & Fittings ZMK	Computer Equipment ZMK	Computer Software ZMK	TOTALS ZMK
Cost							
Balance at 01.01.2010	73,297,230	1,226,749,788	419,343,654	307,260,157	747,584,719	232,620,054	3,006,855,602
Additions	-	240,000,000	5,450,000	178,527,848	7,539,026	-	431,516,874
Balance at 31.12.2010	<u>73,297,230</u>	<u>1,466,749,788</u>	<u>424,793,654</u>	<u>485,788,005</u>	<u>755,123,745</u>	<u>232,620,054</u>	<u>3,438,372,476</u>
Depreciation							
Balance at 01.01.2010	953,438	689,260,754	234,369,212	193,503,786	612,442,124	199,342,251	1,929,871,565
Charge for the year	1,465,945	211,625,787	80,674,769	36,569,660	60,847,306	14,828,886	406,012,353
Balance at 31.12.2010	<u>2,419,383</u>	<u>900,886,541</u>	<u>315,043,981</u>	<u>230,073,446</u>	<u>673,289,430</u>	<u>214,171,137</u>	<u>2,335,883,918</u>
Net Book Value							
Balance at 31.12.2010	<u>70,877,847</u>	<u>565,863,247</u>	<u>109,749,673</u>	<u>255,714,559</u>	<u>81,834,315</u>	<u>18,448,917</u>	<u>1,102,488,558</u>
Balance at 31.12.2009	<u>72,343,792</u>	<u>537,489,034</u>	<u>184,974,442</u>	<u>113,756,371</u>	<u>135,142,595</u>	<u>33,277,803</u>	<u>1,076,984,038</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31st December 2011

5.	Property, Plant and Equipment (Contd)						
	Land & Buildings ZMK	Motor Vehicles ZMK	Office Equipment ZMK	Furniture & Fittings ZMK	Computer Equipment ZMK	Computer Software ZMK	TOTALS ZMK
Cost							
Balance at 01.01.2011	73,297,230	1,466,749,788	424,793,654	485,788,005	755,123,745	232,620,054	3,438,372,476
Additions	-	-	13,462,758	16,858,000	50,333,290	184,505,071	265,159,119
Balance at 31.12.2011	<u>73,297,230</u>	<u>1,466,749,788</u>	<u>438,256,412</u>	<u>502,646,005</u>	<u>805,457,035</u>	<u>417,125,125</u>	<u>3,703,531,595</u>
Depreciation							
Balance at 01.01.2011	2,419,383	900,886,541	315,043,981	230,073,446	673,289,430	214,171,137	2,335,883,918
Charge for the year	1,465,945	242,151,307	69,627,133	68,282,078	56,132,213	35,969,259	473,627,934
Balance at 31.12.2011	<u>3,885,327</u>	<u>1,143,037,848</u>	<u>384,671,114</u>	<u>298,355,524</u>	<u>729,421,643</u>	<u>250,140,396</u>	<u>2,809,511,852</u>
Net Book Value							
Balance at 31.12.2011	<u>69,411,903</u>	<u>323,711,940</u>	<u>53,585,298</u>	<u>204,290,481</u>	<u>76,035,392</u>	<u>166,984,730</u>	<u>894,019,744</u>
Balance at 31.12.2010	<u>70,877,847</u>	<u>565,863,247</u>	<u>109,749,673</u>	<u>255,714,559</u>	<u>81,834,315</u>	<u>18,448,917</u>	<u>1,102,488,558</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2011

6. Capital commitments

The Authority did not have any capital commitments at 31 December 2011

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 balance sheet was as follows:

	ZMK 31 December 2011	ZMK 31 December 2010
Staff Receivables	286,938,777	241,647,151
Prepayments	32,177,038	44,356,100
Other Receivables	<u>1,393,617,645</u>	<u>991,870,154</u>
	<u>1,712,733,460</u>	<u>1,277,873,405</u>

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 (Contd)

For the year ended 31ST December 2011

8. Cash and Cash Equivalents

	ZMK 31 December 2011	ZMK 31 December 2010
Citibank - IDA	-	831,450
Citibank - EKN	-	1,124,847
Citibank – TEVETA/GRZ	736,195,440	741,703,512
Stanbic – IDA Kwacha	2,195,530	2,195,405
Citibank-Examinations	658,760,000	-
Stanbic – GRZ ZMK	62,445,984	219,636,206
Zanaco	791,447,082	520,288,556
Cash in Hand	2,000,000	873,400
	<u>2,253,044,036</u>	<u>1,486,653,376</u>

9. Other payables

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.

The make up of the other payables at the balance sheet date was as follows:

	ZMK 31 December 2011	ZMK 31 December 2010
Employees related accruals	721,046,760	953,051,820
Local suppliers	815,019,736	189,329,043
Sundry payables and accrued expenses	232,381,640	176,809,524
Credit balances in debtors	216,471,503	-
	<u>1,984,919,639</u>	<u>1,319,190,387</u>

The make up of employee related accruals at the balance sheet date was as follows:

	ZMK 31 December 2011	ZMK 31 December 2010
Gratuity	464,606,061	533,422,177
Leave Pay	256,440,699	419,629,643

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

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2011

10. Contingent liabilities

The Authority is not involved in any claims or lawsuits incidental to its business.

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.

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:

	ZMK 31 December 2011	ZMK 31 December 2010
Government Funding received	<u>6,470,120,604</u>	<u>5,944,166,666</u>

Compensation of key management

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

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

DIRECT EXPENSES

For the year ended 31ST December 2011

Appendix I

	31 December 2011	31 December 2010
	K	K
Improve Operational Efficiency of TEVETA	7,720,000	7,280,000
Develop Accreditation Systems	64,803,928	250,673,054
Operationalise TEVET Fund	9,811,067,107	9,442,894,694
Sixteen National Curricular Revised & Approved	143,075,070	135,538,527
Human Resource Development Plan	683,314,213	365,470,358
Implement TQF to Improve TAQS	(1,828,000)	25,945,927
Revenue, Registration Accreditation Visits	22,801,692	-
TEVET Institutions Registered	16,854,500	26,922,209
Conduct 300 Inspections & TPs Adherence	101,275,314	126,557,658
Conduct & Administer Exams	2,630,739,908	1,327,360,039
Improve Trade Testing Systems	127,989,500	47,968,757
Promote and Implement IEC Strategy	305,138,288	281,461,670
Establish & Improve Org.MSTP with F & A	6,163,000	20,196,375
Increase ICT Application in TEVET	-	5,256,000
Training System Development	122,694,875	55,768,008
Projects	69,129,000	241,236,052
Total	<u>14,110,938,395</u>	<u>12,360,529,328</u>

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

ADMINISTRATION EXPENSES

For the year ended 31ST December 2011

Appendix II

	31 December 2011 K	31 December 2010 K
Audit fees	130,400,000	38,298,120
Bank charges	30,260,564	19,249,212
Cleaning expenses	32,767,881	33,624,648
Depreciation	473,627,934	406,012,354
Board expenses	207,713,597	142,600,610
Electricity and Water	32,906,840	9,828,644
Preparation of Accounts Budgets	44,406,000	22,439,000
Produce Annual Reports	17,980,000	39,692,000
General Expenses	47,228,023	92,422,712
Insurance and Licenses	239,824,793	274,360,094
Leave and Gratuity	1,090,817,559	1,385,126,223
Local Travel	3,225,000	1,385,000
Motor vehicles expenses	447,129,661	332,365,615
Office Expenses	33,172,632	31,066,260
Staff Relocation Costs	-	8,000,000
Printing and Stationery	117,042,425	96,672,022
Repairs and maintenance	35,201,337	46,385,206
Salaries and wages	4,312,375,277	3,952,842,449
Overtime-Fin. & Admin	6,496,098	6,256,240
Security	95,516,200	106,647,500
Management Fees-TEVETA	550,000,000	222,161,004
Settling in allowance	21,027,707	6,268,750
Subscription and Donations	20,737,835	16,479,231
Telephone and postage	174,066,274	85,813,770
Internet	94,447,640	33,998,142
Computer expenses	25,336,677	34,877,231
Total	<u>8,283,707,954</u>	<u>7,444,872,037</u>

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

TEVET FUND - INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2011

Appendix III

	2011 K	2010 K
INCOME		
TEVET Fund Support-GRZ	10,162,000,000	8,319,306,352
TEVET Fund Support-EKN	-	(147,763,107)
Other Income	-	39,051,000
	<u>10,162,000,000</u>	<u>8,210,594,245</u>
EXPENDITURE		
Direct Expenses		
Training	-	116,500
Window 3:Investment & Development	101,105,000	341,949,308
Subsidy	5,337,445,750	5,890,516,975
Bursary	4,327,435,487	3,133,884,084
	<u>9,765,986,237</u>	<u>9,366,466,867</u>
Administration Expenses		
Exchange Difference	-	(11,110)
Bank Charges	3,203,860	5,661,200
Management Fees	550,000,000	222,161,004
	<u>553,203,860</u>	<u>227,811,094</u>
DEFICIT FOR THE PERIOD	<u>(157,190,097)</u>	<u>(1,383,683,716)</u>

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

IDA - INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2011

Appendix IV

	31 December 2011	31 December 2010
	K	K
INCOME		
Amortization of Grant	<u>50,508,907</u>	<u>50,508,907</u>
EXPENDITURE		
Administration Expenses		
General Expenses	53,870	-
Bank Charges	804,713	-
Exchange Difference	-	(26,737)
Depreciation	<u>51,334,402</u>	<u>51,976,572</u>
	<u>52,192,985</u>	<u>51,949,835</u>
DEFICIT FOR THE PERIOD	<u>(1,684,078)</u>	<u>(1,440,928)</u>

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

**EKN – EMBASSY OF THE KINGDOM OF NETHERLANDS
INCOME AND EXPENDITURE STATEMENT**

For the year ended 31ST December 2011

Appendix V

	31 December 2011 K	31 December 2010 K
INCOME		
Grant-EKN Funds	-	(580,000,000)
Amortization of Grant	50,950,469	54,198,430
Sundry Income	200,000	-
	<u>51,150,469</u>	<u>(525,801,570)</u>
EXPENDITURE		
Direct Expenses		
Human Resource Dev.Plan for TEVETA	-	4,119,000
Operationalise TEVET Fund	-	9,198,492
Sixteen National Curricular Rev. & Approved	-	3,760,444
TEVET Institutions Registered	-	(516,000)
At Least 300 Inspected TPs adhere to Quality	-	4,083,094
Training Assessment & Quality System	-	159,916
Improve Trade Testing Systems	-	3,077,157
Promote & Implement IEC Strategy	-	4,872,000
	<u>-</u>	<u>28,754,103</u>

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

**EKN – EMBASSY OF THE KINGDOM OF NETHERLANDS
INCOME AND EXPENDITURE STATEMENT (Contd)**

For the year ended 31ST December 2011

Appendix V (Contd)

	31 December 2011 K	31 December 2010 K
Administration Expenses		
Adherence to Reporting Requirements	-	56,712,272
Stationery & Consumables	-	81,531,146
Cleaning Expenses	-	12,129,769
Office Refreshment	-	27,006,390
General Expenses	-	31,903,500
Telephone Charges	-	33,740,254
Electricity	-	2,943,144
Internet Services	-	47,058,490
Computer Expenses	-	2,022,317
Security Services	-	57,689,133
Postage	-	5,612,039
Insurance-Motor Vehicle	-	54,867,696
Insurance-Health	-	61,769,300
Group Life Assurance	-	52,618,015
Repairs & Maintenance-Office Equipment	-	11,834,200
Repairs & Maintenance-General	-	43,556,510
Motor Vehicles Expenses	-	161,877,312
Other Expenses	-	10,364,600
Depreciation	80,277,111	81,289,233
Subscriptions	-	950,000
Bank Charges	-	1,096,000
	<u>80,277,111</u>	<u>838,571,320</u>
DEFICIT OF INCOME OVER EXPENDITURE	<u><u>(29,126,642)</u></u>	<u><u>(207,538,382)</u></u>

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

TEVETA - INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2011

Appendix VI

	31 December 2011 K	31 December 2010 K
INCOME		
Grant-GRZ	6,470,120,604	5,944,166,666
Grant-Examination	1,011,120,000	545,800,000
Registration Fees	200,833,336	60,233,334
Accreditation Fees	1,137,850,000	1,235,492,877
TEVET Fund Administrative Fees	550,000,000	222,161,004
Curriculum/Syllabus	20,821,720	15,750,000
Examination Fees	3,130,133,000	2,185,789,000
Bank Interest	1,710,878	8,896,462
Other Income	64,387,939	386,010,899
Amortization of Grant		21,988,595
	<u>12,586,977,477</u>	<u>10,626,288,837</u>
	-	
EXPENDITURE		
Direct Expenditure		
Improve Operational Efficiency of TEVETA	7,720,000	7,280,000
Revenue, Registration, Accreditation Visits	22,801,692	32,390,300
Human Resource Dev Plan for TEVETA	683,314,213	361,351,357
Operationalise TEVET Fund	45,080,870	67,229,335
Sixteen National Curricular Rev & Approved	143,075,070	131,778,083
TEVET Institutions Registered	16,854,500	27,438,209
At Least 300 Inspected TPs adhere to Quality	101,275,314	122,474,564
Develop Accreditation System	64,803,928	218,031,940
Assessment & Qualifications System	2,758,729,408	1,398,037,650
Develop Update TAQS and Methods	55,768,008	55,768,008
Facilitate Dev Technical Capacity-Institution	6,163,000	-
Establish & Improve Org Mgt System-TP	122,694,875	25,452,375
Projects	69,129,000	241,236,052
Implement IEC Strategy	305,138,288	276,589,670
	<u>4,344,952,159</u>	<u>2,965,057,543</u>

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

TEVETA - INCOME AND EXPENDITURE STATEMENT (Contd)

For the year ended 31ST December 2011

Appendix VI (Contd)

	31 December 2011 K	31 December 2010 K
Administration Expenses		
Adherence to Reporting Requirements	400,499,597	136,315,990
Stationery & Consumables	117,042,425	2,354,000
Cleaning Expenses	32,767,881	10,263,574
Office Expenses	31,265,832	4,329,580
General Expenses	49,080,953	28,450,422
Telephone	154,777,025	51,866,985
Electricity	32,096,840	12,038,670
Water	-	64,000
Internet Services	94,447,640	27,867,614
Computer Expenses	25,336,677	13,586,269
Security Services	95,516,200	46,016,000
Postage	19,289,249	5,529,494
Insurance & Licenses	239,824,793	61,595,022
Repairs & Maintenance-Office Equipment	30,412,337	5,323,750
Repairs & Maintenance-General	4,789,000	20,249,588
Motor Vehicles Expenses	447,129,661	150,499,227
Depreciation	342,016,421	221,206,656
Local Travel	3,225,000	3,700,000
Subscriptions	20,737,835	16,797,416
Bank Charges	26,251,991	17,639,971
Overtime-Finance & Administration	6,496,098	21,437,600
Leave & Gratuity	1,090,817,559	1,283,106,398
Staff Relocation Costs	-	12,800,000
Settling in Allowance	21,027,707	18,878,750
Personal Emoluments	4,312,375,277	3,696,221,290
	<u>7,598,033,999</u>	<u>5,868,138,266</u>
Exchanges Differences	-	(827,258)
Total	<u>11,942,986,158</u>	<u>7,991,436,624</u>
 SURPLUS OF INCOME OVER EXPENDITURE	 <u>643,991,319</u>	 <u>1,554,729,903</u>

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

**Technical Education, Vocational and Entrepreneurship Training Fund
(TEVET FUND)**

FINANCIAL STATEMENTS

For the year ended 31st December 2011

TEVETA – TEVET FUND

Financial Statements
For the year ended 31ST December 2011

Contents	Pages
General Information	1
Statement of Responsibilities	2
Report of the Auditors	3
Fund Accountability Statement	5
Accounting policies	6
Notes to the financial statements	7- 8

TEVETA – TEVET FUND

Financial Statements

For the year ended 31ST December 2011

GENERAL INFORMATION

1. NATURE OF BUSINESS

The purpose of the grants provided under the TEVET Fund are to provide financing to Registered Training institutions and Employers through disbursements of funds under the following windows:-

Window 1: Pre-employment training;

Window 2: In-service training;

Window 3: Small and micro Enterprise and Informal sector training;

Window 4: Investment and Development funding.

2. DIRECTORS

Name	Position	Institution
Mr. W. Kalabo	Chairperson	ZACCI
Prof. M. Musonda	V/Chairperson	CBU
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hiokaumba	Member	ZCTU
Permanent Secretary	Member	Ministry of Education
Ms B. M. S. Muyambango	Member	NIPA
Dr. E. Moonga	Member	NISIR
Mrs. J. S. Lungu	Member	Catholic Secretariat
Mr. N. Kayamba	Member	ZFE
Permanent Secretary	Member	Ministry of Science Technology & Vocational Training
Permanent Secretary	Member	Ministry of Labour and Social Security
Dr. P. K. Nkanza	Board Secretary	TEVETA

3. REGISTERED OFFICE

TEVETA Building
Birdcage walk, Longacres,
Private Bag RW16X,
LUSAKA

4. AUDITORS

M T Ncube and Associates

5. BANKERS

Stanbic Bank Zambia Limited

Financial Statements

For the year ended 31ST December 2011

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Technical Education, Vocational and Entrepreneur ship 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 the surplus or deficit for that period.

The Authority's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Fund Accountability statement as at 31 December 2010 for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards; and the TEVET Act

The director's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In the opinion of the Directors:

- (i) the fund accountability statement is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2011; and
- (ii) The directors have made an assessment of the Authority's ability to continue as a going concern and believe that there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.
- (iii) 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.

Consequently, the Fund Accountability Statement on Page 5 was approved by the Directors at a Board meeting held on.....and signed on its behalf by:

Signature : _____ Signature: _____

Designation: _____ Designation: _____

M. T Ncube and Associates

Chartered Accountants

Plot 201, Kasangula Road, Roma, PO Box 35550, Lusaka, Zambia

Telephone: 260 211 291386, Telefax: 260 211 293004, E-mail: mtntspec@zamnet.zm

AUDITOR'S REPORT TO THE MEMBERS OF:

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) TEVET FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the TEVET Fund for the year ended 31 December 2011 set out on pages 6 to 11. These financial statements comprise of the fund accountability statement for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

RESPONSIBILITIES OF THE DIRECTORS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act No. 13 of 1998. This responsibility includes 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.

AUDITOR'S 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 of 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 procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements, whether due to fraud or error. In making those risk assessment, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit 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 the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the fund as at 31 December 2011 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 Act No. 13 of 1998 and TEVET (Amendment) Act No. 11 of 2005 and the Public Finance Act of 2004.

M T Ncube and Associates
Chartered Accountants

Lusaka

TEVETA – TEVET FUND

Financial Statements

For the year ended 31ST December 2011

FUND ACCOUNTABILITY STATEMENT

		2011	2010
	Notes	K	K
Fund balance brought forward	1	221,831,611	1,605,515,326
Add: Prior year adjustments		-	-
Adjusted fund balance brought forward		221,831,611	1,605,515,326

FUNDS RECEIVED

Funds received	2	10,162,000,000	8,210,594,245
Total funds available		10,383,831,611	9,816,109,571

DISBURSEMENTS

Fund Disbursements	Appex I	9,765,986,237	9,366,466,866
Administrative and other expenses	Appex I	553,203,860	227,822,204
Exchange differences	Appex I	-	(11,110)
		10,319,190,097	9,594,277,960
Fund balance carried forward		64,641,514	221,831,611

Represented by:

Cash and Bank Balances	3	64,641,514	221,831,611
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The Fund Accountability Statement was approved by the Directors at a meeting held on..... and signed on its behalf by:

Signature: _____

Signature: _____

The notes on pages 6 to 8 form part of the financial statements.

TEVETA – TEVET FUND

Notes to the financial statements

For the year ended 31st December 2011

1. OPENING FUND BALANCES	2011	2010
	K	K
Stanbic IDA US\$ account	-	4,571,292
Stanbic IDA ZMK account	2,195,405	7,419,203
Stanbic Main ZMK account	-	109,530,607
Stanbic GRZ ZMK account	219,636,206	1,483,996,224
	<u>221,831,611</u>	<u>1,605,515,326</u>
2. FUNDS RECEIVED		
Embassy of the Kingdom of Netherlands	-	(147,763,107)
MSTVT-GRZ	10,162,000,000	8,319,306,352
Other Income	-	39,051,000
	<u>10,162,000,000</u>	<u>8,210,594,245</u>
Grants received are accounted for on a receipt basis rather than accruals basis.		
3. CLOSING FUND BALANCES		
Stanbic IDA ZMK account	2,195,530	2,195,405
Stanbic GRZ ZMK account	62,445,984	219,636,206
	<u>64,641,514</u>	<u>221,831,611</u>

TEVETA – TEVET FUND

Notes to the financial statements

For the year ended 31st December 2011

1. OPENING FUND BALANCES	2011 K	2010 K
Stanbic IDA US\$ account	-	4,571,292
Stanbic IDA ZMK account	2,195,405	7,419,203
Stanbic Main ZMK account	-	109,530,607
Stanbic GRZ ZMK account	219,636,206	1,483,996,224
	<u>221,831,611</u>	<u>1,605,515,326</u>
2. FUNDS RECEIVED		
Embassy of the Kingdom of Netherlands	-	(147,763,107)
MSTVT-GRZ	10,162,000,000	8,319,306,352
Other Income	-	39,051,000
	<u>10,162,000,000</u>	<u>8,210,594,245</u>
3. CLOSING FUND BALANCES		
Stanbic IDA ZMK account	2,195,530	2,195,405
Stanbic GRZ ZMK account	62,445,984	219,636,206
	<u>64,641,514</u>	<u>221,831,611</u>

Grants received are accounted for on a receipt basis rather than accruals basis.

TEVETA – TEVET FUND

Notes to the financial statements

For the year ended 31st December 2011

4. COMPARATIVE FIGURES

Comparative figures have been reclassified to allow for meaningful comparison with current year figures.

5. REVENUE EXPENDITURE COMMITMENTS

There were no revenue expenditure commitments at 31st December 2011.

6. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2011.

7. CURRENCY

These financial statements are prepared in Zambian Kwacha.

8. SUBSEQUENT EVENTS

There has not arisen at the end of the financial year any item transaction or event of a material and unusual nature likely, in the opinion of the Fund Management, to affect substantially the Fund Accountability Statement in subsequent financial year.

TEVETA – TEVET FUND

Detailed Fund Accountability Statement

For the year ended 31st December 2011

Appendix 1

	2011 K	2010 K
Funds brought forward	221,831,611	1,605,515,326
Revised brought forward balance	221,831,611	1,605,515,326
FUNDS RECEIVED		
Embassy of the Kingdom of Netherlands	-	(147,763,107)
MSTVT	10,162,000,000	8,319,306,352
Other Income	-	39,051,000
Exchange Gain	-	-
	<u>10,162,000,000</u>	<u>8,210,594,245</u>
AVAILABLE FUNDS	10,319,190,097	9,816,109,571
DISBURSEMENTS		
Window 3: SME/Informal Sector training	-	(116,500)
Window 4: Investment and Development funding	(101,105,000)	(341,949,308)
Subsidy	(5,337,445,750)	(5,890,516,975)
Bursary	<u>(4,327,435,487)</u>	<u>(3,133,884,084)</u>
Total Disbursements	<u>(9,765,986,237)</u>	<u>(9,366,466,866)</u>

TEVETA – TEVET FUND

Detailed Fund Accountability Statement (Cont)

For the year ended 31st December 2011

Appendix 1

ADMINISTRATIVE EXPENSES

Bank Charges	(3,203,860)	(5,183,450)
Bank Interest	-	(1,917,270)
Refund of misapplied funds to TDP	-	(5,973,000)
Management Fees - TEVETA	(550,000,000)	
Exchange loss	-	(9,308,400)
Total Administrative expenses	<u>(553,203,860)</u>	<u>(22,382,120)</u>
Fund Balance	<u><u>64,641,514</u></u>	<u><u>2,752,317,555</u></u>
Represented By:		
Bank and Cash balances	<u><u>64,641,514</u></u>	<u><u>2,752,317,555</u></u>

TEVETA – TEVET FUND

Tevet Fund Income and Expenditure Statement

For the year ended 31st December 2011

Appendix II

	2011 K	2010 K
INCOME		
TEVET Fund Support-GRZ	10,162,000,000	8,319,306,352
TEVET Fund Support-EKN	-	(147,763,107)
Other Income	-	39,051,000
	<u>10,162,000,000</u>	<u>8,210,594,245</u>
EXPENDITURE		
Direct Expenses		
Window 3:SME/Informal Sector Training	-	116,500
Window 4:Investment & Development	101,105,000	341,949,308
Subsidy	5,337,445,750	5,890,516,975
Bursary	4,327,435,487	3,133,884,084
	<u>9,765,986,237</u>	<u>9,366,466,866</u>
Administration Expenses		
Exchange Difference	-	(11,110)
Bank Charges	3,203,860	5,661,200
Bank Interest	-	-
Management Fees	550,000,000	222,161,004
Refund of misapplied Funds	-	-
	<u>553,203,860</u>	<u>227,811,094</u>
(DEFICIT)/SURPLUS FOR THE PERIOD	<u>(157,190,097)</u>	<u>(1,383,683,716)</u>

