



TEVETA ANNUAL REPORT 2012

SKILLS FOR DEVELOPMENT

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1. VISION, MISSION AND VALUES

1. VISION

A World-class Technical Education, Vocational and Entrepreneurship Training (TEVET) System contributing to the Development of Zambia.

2. 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.

3. 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 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 ChaCha 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

CYMA Chartered Public Accountants and
Consultants

BOARD MEMBERS



Dr. Francis M. Ndilila
Ndilila Associates
Chairperson



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



Mr. Leonard Hikaumba
Zambia Congress of Trade
Unions
Member



Dr. Patrick Nkanza
Permanent Secretary (Science)
Ministry of Education, Science
Vocational Training and Early Education
Member



Mr. Harrington Chibbanda
Zambia Federation of Employers
Member



Mrs. Josephine Shamwana-Lungu
Catholic Secretariat
Member



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



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



Mr. David C. Chakonta
Director General
TEVETA
Secretary



Mr. Trevor Kaunda
Permanent Secretary
Ministry of Labour and Social Security
Member

COMMITTEES 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



Mr. David Chakonta
Director General



Mr. Cleopas Takaiza
Director
Training Standards
Division



Mrs. Matilda M. Nsemani
Director
Finance and
Administration Division



Mr. Orphan Hachinene
Director
Assessment and
Qualifications Division



Mrs. Catherine M. Kanyensha
A/ Director
Development Division

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 2012.

The year 2012 witnessed a number of changes within the Governance and management structures of the Authority. Dr Francis M. Ndilila replaced Mr Wamulume Kalabo as Board Chairman. At management level, Dr Patrick K. Nkanza the Director General left the Authority following his appointment as Permanent Secretary responsible for Science, Vocational Training and Higher Education in the Ministry of Education, Science, Vocational Training and Early Education towards the end of the first Quarter. The Board then appointed Mrs Matilda M. Nsemani Director Finance and Administration as Acting Director General while the process to recruit the new Director General went underway. Mr David C. Chakonta who had served the Authority as Director of the Development Division was eventually recruited for the position. His appointment was effective from 1st August 2012. Mrs Catherine M. Kanyensha then Manager Curriculum Development was appointed Acting Director of the Development Division while the process of recruiting to substantively fill the vacancy was in progress.

During the year Hon. Dr John N.T. Phiri M.P. the Minister responsible for Education, Science, Vocational Training and Early Education addressed the Board and directed that in their oversight role they should always ensure that TEVET remained relevant and responsive to Government's policy objectives as well as the general expectations of the people of Zambia. "Why TEVET?" was his key message.

In terms of operations, there was a marginal growth in the total annual enrolment of 5%; that is from 33,234 in 2011 to 34,910. A total of 230 training institutions were registered during the year; there was however a 24% reduction in the number compared to the previous year; this was mainly due to late renewal by a number of training providers as the year also marked the end of the first wave of the three year registration cycle following implementation of amendments to the TEVET Act as passed in 2005. With regard to accreditation of TEVET professionals, 455 were accredited as Trainers, 113 as skills Assessors and 209 examiners. The total portfolio of approved curricula was 244. With regard to Assessment and certification services, a total of 6,736 candidates sat for examinations for regular programmes leading to the Zambian National Qualifications Framework (ZNQF)/TEVET Qualifications Framework (TOF) levels 4 to 6 (i.e. *Certificate, Advanced Certificate and Diploma level qualifications*) respectively; the average pass rate was 66%. For programme leading to Trade Test certificate level, the total number of candidates who sat was 5,585 with the average pass rate being 89%. There was a 49% growth in the number of candidates sitting for Trade test compared with previous year. The year closed with commencement of the tendering consulting services for the design and construction supervision of the TEVET Examinations Annex.

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.



Dr Francis M. Ndilila
Board Chairman
Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)

7. Operational Review by the Director General

7.1 Mandate of TEVETA

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

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

7.2 Governance

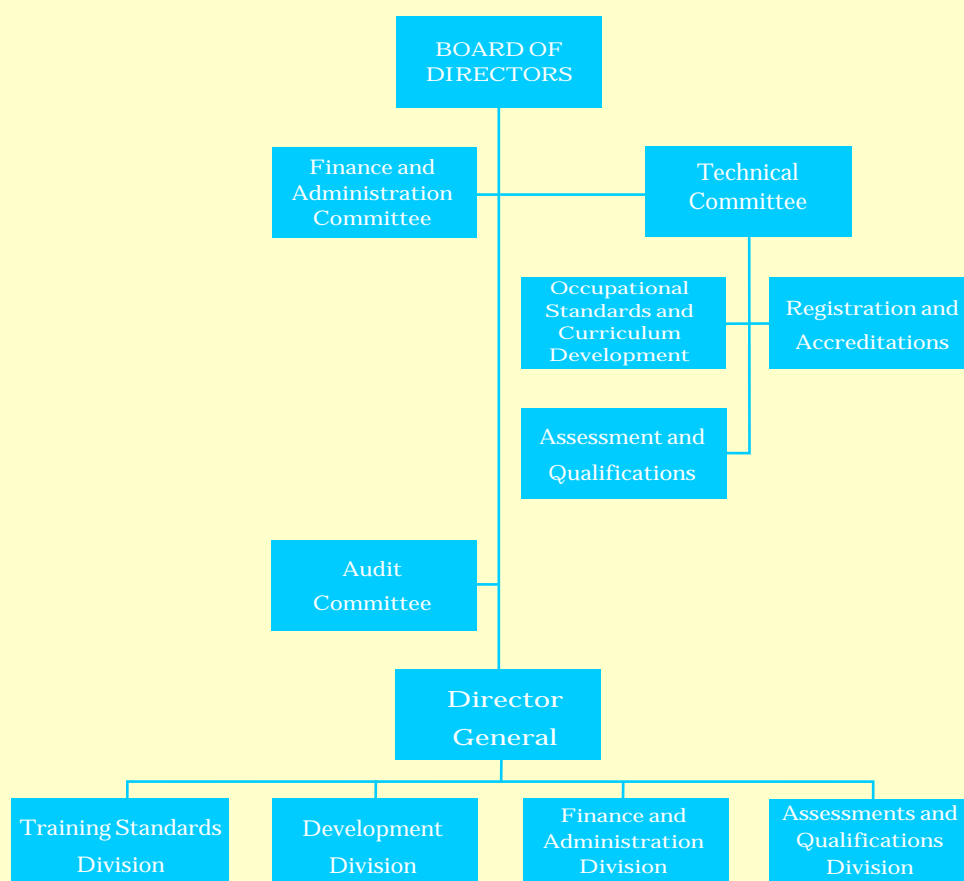
TEVETA is governed by a Board of Directors appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

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

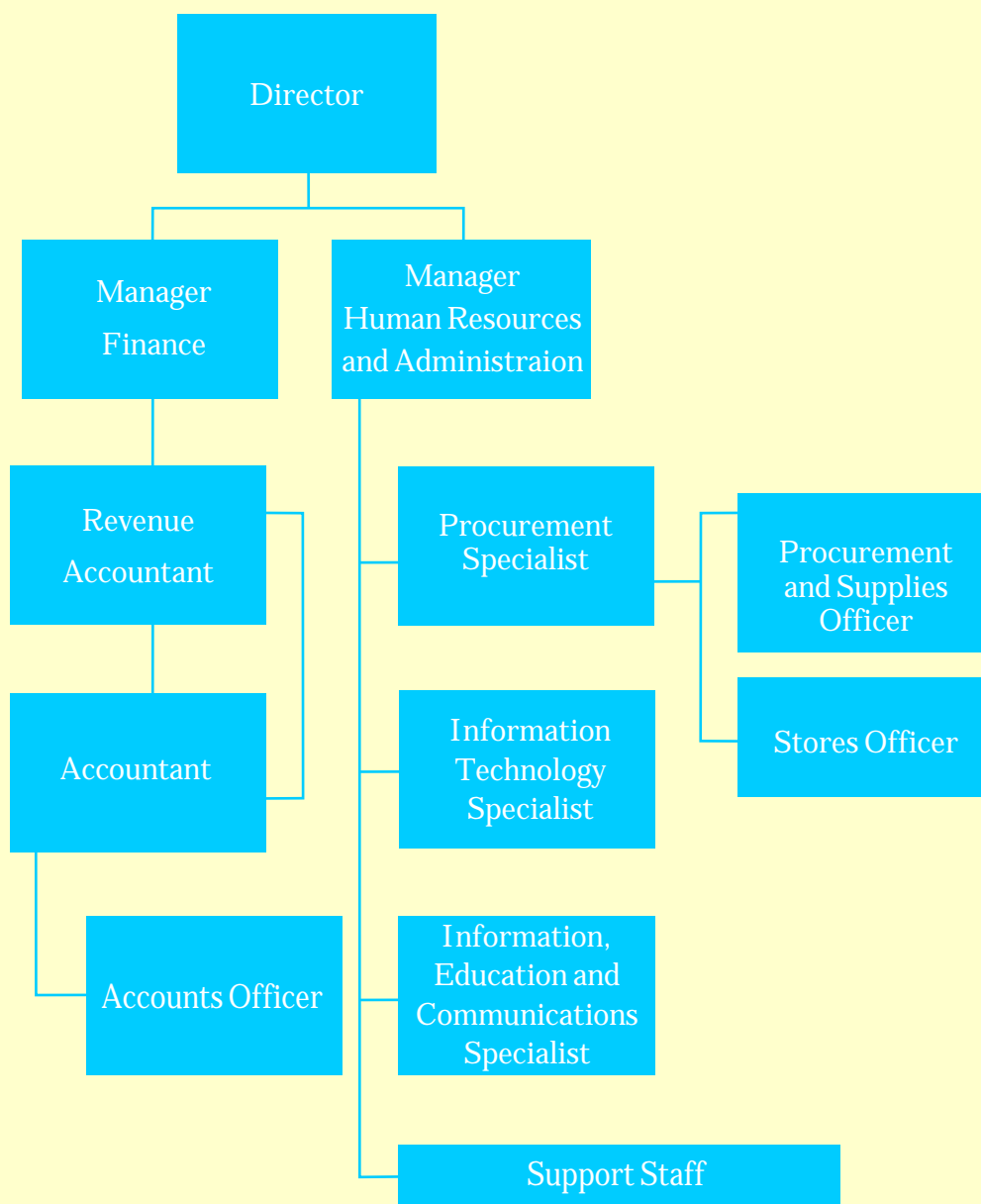


7.3 The Role of TEVETA

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



(c) Finance Unit

The Unit conducted verification visits to 129 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. The unit also continued providing support to training institutions needing assistance in the area of financial management.

(d) 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	3,114,284,039
Livingstone Institute of Business and Engineering Studies	1,000,000,000
Zambia Air Services Training Institute	1,146,502,621
Lusaka Business and Technical College	658,159,687
Kabwe Trades Training Institute	409,389,741
Northern Technical College	2,444,626,268
TOTAL	8,772,962,356

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.

(e) 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. There radio programme was in a series of thirteen.

A Television documentary was also produced and aired during the year. The documentary focused on tracing career paths of selected technical education, vocational and entrepreneurship training (TEVET) graduates to demonstrate the role of skills training in personal and national development. It highlighted the career path of each particular graduate, the training they pursued, the role of TEVETA in that training and the role of the employer in the learners training goals.

The unit further took part in the 2012 Career Expo which was held at the New Government Complex. 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 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, 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. The unit also participated at the 22nd Commonwealth Association of Polytechnics (CAPA) conference. CAPA focused on challenges of youth unemployment with an emphasis

on the role of TEVET institutions in cushioning the impact. The IEC unit showcased the Zambian case of TEVET's role in bridging youth unemployment in the formal and informal sectors. It further exhibited and participated at the 2nd Engineering Design Competition involving TEVET and University students. The competition was to design a low-cost prototype mobile phone charger that uses a dynamo (powered by bicycle cycling) for the rural area.

(f) Human Resources Development

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

Category	At 31 st Dec '11	Recruited	Promoted	Separated	At 31 st Dec '12	Establishment Approved
Directors and DG	5	0	1	-1	4	5
Managers	7	0	2	0	9	9
Specialists	17	6	0	-4	19	22
Officers	4	1	0	0	5	7
Support	7	0	0	0	7	8
Net Totals	40	7	1	-4	44	51

During the year, the Authority separated with the Director General, Dr. Patrick Nkanza, who was appointed Permanent Secretary by the Republican President, Mr. Michael Sata. The Authority appointed Mr. David Chakonta as the new Director General effective August, 2012. The Authority also made a number of recruitments. These included the positions of Assessments and Examinations Specialist in charge of mechanical programmes, Procurement and Supplies Specialist, Quality Assurance Specialist, Accountant, Accounts Officer and Stores Officer.

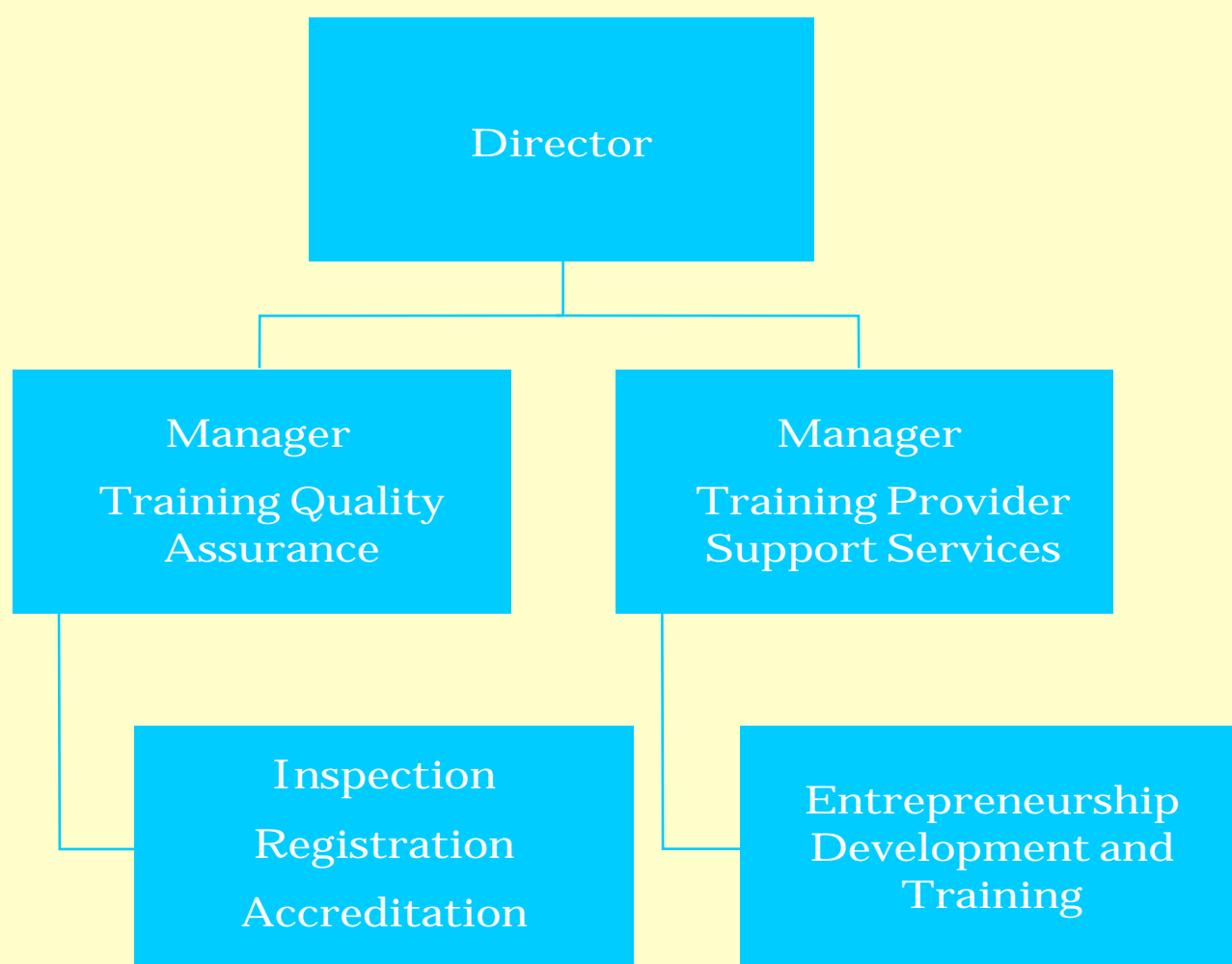
7.3.2 TRAINING STANDARDS DIVISION

(a) The Training Standards Division

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

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

Organisation Structure



(b) 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 with TEVETA to offer training while 55 training institutions had their registration certificates suspended for various reasons. As at December 2012, there were three hundred and four (230) training institutions registered institutions with a total student full time enrollment of 34, 910.

TABLE 1: Registered Institutions by Ownership as at 31st December 2012

OWNERSHIP	NUMBER OF REGISTERED INSTITUTIONS				
	2008	2009	2010	2011	2012
Public / Government	58	78	80	87	79
Private	107	107	107	96	54
Church	59	66	66	65	49
Community	8	6	10	9	7
Trust	14	14	16	14	11
Company	10	14	14	15	13
NGO	20	18	15	18	17
TOTAL	276	304	308	304	230

Distribution of Training Institutions by province

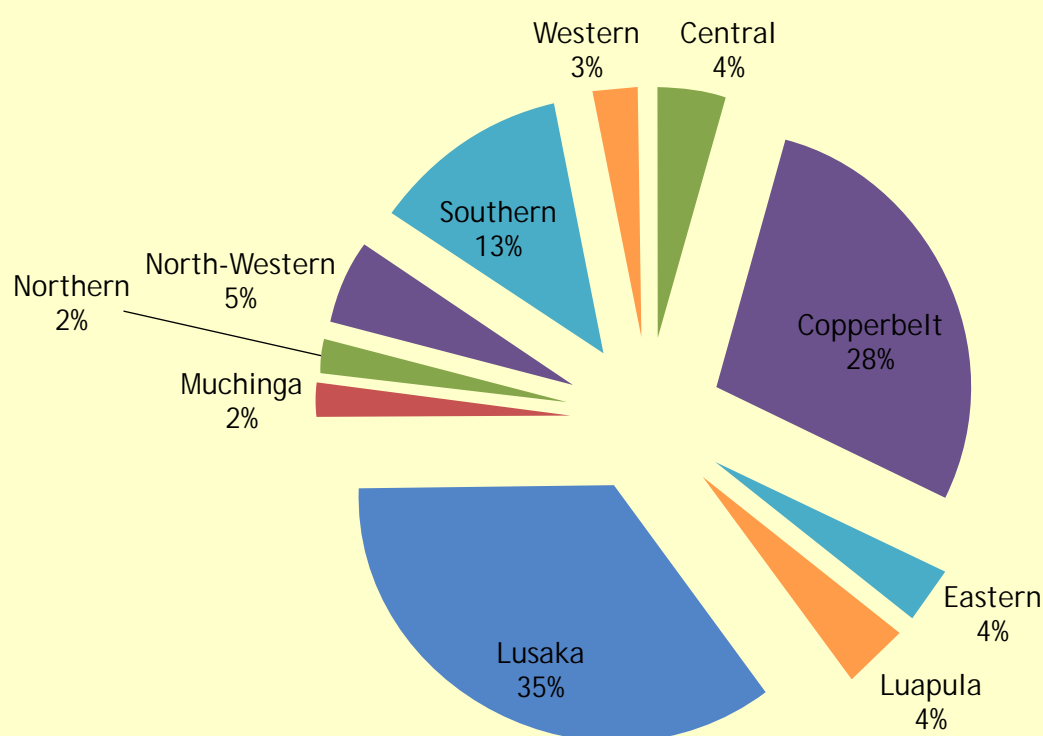


TABLE 2: Student Enrollments by Programme and Gender (2008 – 2012)

PROGRAMMES	2008		2009		2010		2011		2012	
	Male	Female	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	8087	7,779
Secretarial Studies	3	1,428	0	1,499	0	1,574	0	1,621	2	1783
Hotel and Tourism	1,120	2,542	1,176	2,669	1,234	2,194	1,271	2,282	1322	2,373
Media and Applied Arts	1,010	1,990	1,061	2,089	1,113	2,194	1,146	2,260	1180	2328
Paramedical	160	180	168	189	176	199	181	205	185	209
Aviation	95	7	110	10	135	12	139	12	142	12
Craft Programmes	6,702	900	6,903	950	7,148	992	7,219	1,032	7363	1,053
Advanced Certificate / Technician programmes	4,000	567	354	55	414	80	426	85	439	88
Diploma / Technologist programmes	460	17	483	18	490	20	505	21	520	46
TOTAL	19,850	13,549	17,185	13,988	18,048	14,255	18,446	14,787	19240	15,670
Percentage	59%	41%	55%	45%	55%	45%	56%	44%	55%	45%
TOTAL ANNUAL ENROLMENTS	33, 399		31, 173		32, 303		33, 234		34910	

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

In the overall context of promoting quality in TEVET, 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 949 applications were received for all the 3 categories of accreditation during the year. A total of 777 applications were successfully accredited with either a Provisional or Full Accreditation Status. This gives an accreditation success rate of 82% of the applicants being accredited. This is lower by 7% from 2011 where the accreditation success rate was 89%. A total of 172 applicants were not successful as they did not meet the minimum requirements for accreditation. The table below shows the breakdown of the number of applications processed in the year and their status

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

Accreditation type granted	Trainer	Assessor	Examiner	Total
Full Accreditation	316	81	173	570
Provisional Accreditation	139	32	36	207
Total	455	113	209	777
Not Accredited	172			

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 2012, only one additional Examination Board successfully accredited with TEVETA. As at 31st December 2012 there were thirteen foreign Examination Bodies as shown in the table below.

Table 3: List of Accredited Examination Boards in TEVET.

1	Association of Accounting Technicians (AAT)	8	Institute of Certified Bookkeepers (ICB)
2	Association of Business Executives (ABE)	9	Institute of Commercial Management (ICM)
3	Association of Business Managers and Administrators (ABMA)	10	International Computer Driving License (ICDL)
4	Association of Chartered Certified Accountants (ACCA)	11	London Centre of Marketing (LCM)
5	Certified Commerce Industry Personnel (CCIP)	12	Society for Business Practitioners (SBP)
6	City and Guilds	13	Chartered Institute of Purchasing and Supply (CIPS)
7	Institute for the Management of Information Systems (IMIS)		

(d) Provision of Training Provider Support Services

Technical support services were provided to Registered Training Institutions in management of the Training function and Training Institutions. Quality Assurance guidelines for training institutions were developed and made available to all registered institutions for their reference. Further, formation of Entrepreneurship and Investment Clubs was promoted in registered institutions as a way of making entrepreneurship training more practical. The Division also facilitated a trainer of trainer capacity development workshop and fourteen (14) entrepreneurship trainers benefited.

6.2.1.1 ASSESSMENTS AND QUALIFICATIONS DIVISION

Assessments and Qualifications Division is responsible for:

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

6.2.1.2 Administration and Conduct of TEVET Examinations and Assessments

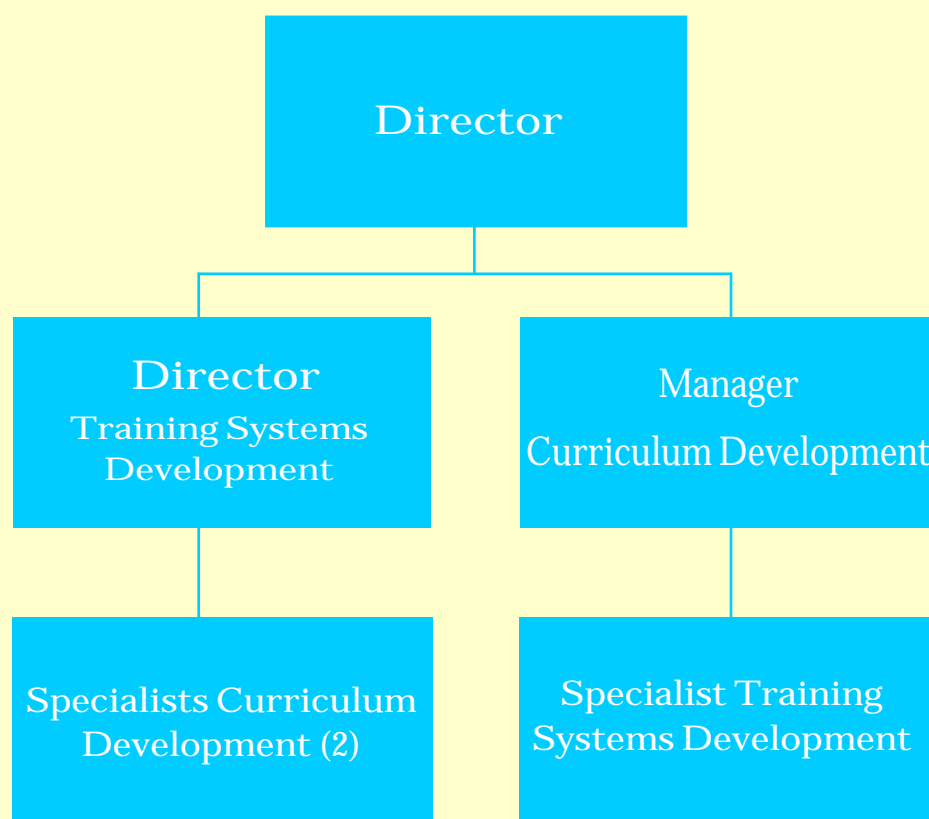
TEVET examinations were conducted for all the three sessions: April 2012, August 2012 and December 2012 respectively. The summary results are as shown in the Appendix:

During the year under review, a number of malpractice cases increased, which prompted the Division to carry out investigations on the reported malpractice cases. Notably, ZASTI and Kitwe Vocational Training Centre (KVTC) where the Police are carrying out thorough investigations.

- 6.2.1.3.1 Regulating and conducting national examinations and assessments
TEVET Examinations and assessments were conducted in the year 2012. A total of 6736 candidates for TQF4 – TQF6, were examined out of which 4211 passed their examinations. This indicated a pass rate of 63%.
- 6.2.1.3.2 Regulating and coordinating apprenticeship and trade testing
During the year under review, a total of 5583 candidates for TQF3, were examined out of which 4961 passed their examinations. This indicated a pass rate of 89%.
- 6.2.1.3.3 Determining equivalences of local and foreign examinations
The year under review, a total of 13 equivalences and 107 exemptions were granted.
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 2013.

7.3.4 Development Division (a) Structure

Figure 5: Development Division



7.3.4 FUNCTIONS

The Development Division is responsible for setting training and learning standards, developing guidelines and providing advisory services to stakeholders in relation curriculum content, learning outcomes, learning requirements, and the quality of the learning environment. The Division is also responsible for setting standards and providing guidelines for the design and implementation of learning/training systems aimed at facilitating and promoting increased access to TEVET through a variety of learning pathways. To achieve this, the Division has the following functions:

- a) Curriculum Development
- b) Training Systems Development

These functions are supervised by the Divisional Director and delivered through respective Unit Managers. During the period under review, the Director for the Division, Mr David C Chakonta, was promoted to the position of Director General and the Manager for Curriculum Development, Mrs Catherine M Kanyensha was appointed to act in the position that was left while Curriculum Development Specialists, Mr Kennedy Bowa, was appointed to act as Manager for Curriculum Development.

7.3.4.1 CURRICULUM DEVELOPMENT

This function falls under the Curriculum Development Unit.

7.3.4.1.1 Curriculum Development Process

During the year under review, the Unit continued using the adapted Systematic Curriculum Instructional Design approach in the development and review of national curricula. The following are the main activities carried out:

1. Job profile development or review (job analysis);
2. Curriculum Chart or Framework development or review;
3. Syllabus detailing;
4. Curriculum validation;
5. Curriculum approval;
6. Qualification descriptor development;
7. Post- approval editing;
8. Availing curriculum documents to stakeholders;
9. Curriculum evaluation.

Table 1: Curriculum Development Performance Summary

SN	Curriculum Development Activity	Planned/ Target	Actual	Remarks
1.	Development of job profiles	10	36	The positive results were attributed to cost sharing with the stakeholders requesting for the programmes in some cases.
2.	Reviewing of existing curricular at various certification levels	18	15	
3.	Developing of new curricula at various certification levels	2	12	
4.	Review curricular for unrevised trade test programmes	10	15	In addition, the Unit continued using the batching strategy which assisted in ensuring that curriculum was developed or reviewed for most of the trade test programmes where there had been no curriculum for years.
5.	Develop a portfolio of Nationally recognised short courses or skills awards	6	17	
6.	Validate curricular for long term, short and trade test programmes	28	35	On curriculum evaluation, the curricula that were evaluated were documents submitted by a key stakeholder, evaluation for the planned programmes was not carried out due to funding challenges and delays in procurement procedures.
7.	Evaluate Curricula for approved programmes	5	3	
8.	Approve curricular for Trade Test, long and short term programmes	28	18	

7.3.4.1.2 Curriculum Approval

1. Of the thirty five (35) curriculum documents that went through the full curriculum development cycle, only eighteen (18) were approved by the Occupational Standards and Curriculum Sub-Committee (OSCSC) of the TEVETA Board. 50% of the curriculum documents approved during the year were for new TEVET programmes, signifying an advent of new/emerging skill areas. Table 2 shows details of the curricula that were approved during the year.

Table 2: Curriculum documents approved in 2012

SN	Curriculum Title	TEVET Qualifications Framework (TQF) level/Skills Award	New or Reviewed Curriculum
1.	Level I Trade Test Certificate in Drill and Blast	TQF Level 3	New
2.	Level I Trade Test Certificate in Earth Moving Equipment	TQF Level 3	New
3.	Level II Trade Test Certificate in Heavy Mobile Equipment Operation	Skills Award	New
4.	Level III Trade Test Certificate in Dewatering Operations	Skills Award	New
5.	Level III Trade Test Certificate in Electric Shovel Cable Handling Works	Skills Award	New
6.	Level I Trade Test Certificate in Baking	TQF Level 3	New
7.	Certificate in Livestock Production	TQF Level 4	Reviewed
8.	Diploma in Urban & Regional Planning	TQF Level 6	Reviewed
9.	Advanced Certificate in Land Surveying	TQF Level 5	New
10.	Diploma Air Traffic Management	TQF Level 6	Reviewed
11.	Diploma Rescue and Fire Services	TQF Level 6	Reviewed
12.	Diploma Social work	TQF Level 6	Reviewed
13.	Certificate Social Work	TQF Level 4	New
14.	Entrepreneurship Module(Trade Test & Craft Certificate, Advanced Certificate & Diploma));	Skills Award	Reviewed
15.	Craft Certificate in Heavy Equipment Repair	TQF Level 4	Reviewed
16.	Skills Award in Dancing	Skills Award	New
17.	Diploma in Business Administration - Revision of Progression requirements and Course Structure	TQF Level 6	Reviewed
18.	Revision of Progression requirements for Computer Studies Curricula	TQF Levels 4, 5 and 6	Reviewed

The total number of approved TEVET curricula at the close of the year came to two hundred and forty four (244), inclusive of documents inherited from the Department of Technical Education and Vocational Training.

7.3.4.2 Curriculum Development or Review Work in Process

A number of curriculum documents were still at various stages of development or review at the close of the year, as shown in Table 3.

Table 3: Curriculum development and review outstanding work as at 31st December 2012

S/N	Curriculum Development Stage	No. of Curriculum Documents Pending
1.	Job profiles awaiting Curriculum Chart development	9
2.	Job profiles pending Curriculum review	9
3.	Curriculum Charts awaiting syllabus detailing	8
4.	Curriculum Charts and syllabi pending validation	15
5.	Curriculum Charts and syllabi pending approval	17

1. A total of 58 curricula were developed or reviewed in 2012, with a further 9 that had just started the curriculum development process but were at curriculum analysis stage where job profiles were developed. Of these 35 curriculum documents went through the whole cycle up to approval level but only 18 of these were approved, leaving a backlog of 17 curricula at approval stage, with 23 programmes remaining at the other stages of development;
2. Of the 23 three that were still in the pipeline at the close of the year, fifteen (15) programmes were pending validation and 8 were yet to be detailed;
3. Most of these documents could not be completed during the year under review due to low staffing levels and funding challenges that were experienced during the year.

2.1.1 Projected workload for curriculum development and revision

1. The projections for the curriculum development workload did not change much from those made in 2011, apart from the increase in the number of curricula for 2013 and 2014 due to unrevised curriculum documents carried forward and demands for new curricula;
2. Although most of the backlog for the existing Trade Test curricula was revised in 2012, most of the long term programmes that were due for review or carried over from the previous year(s) were still outstanding, which was due to funding and human resource challenges. Although the Unit had engaged temporary Curriculum Development Specialist, Mr. Dickson Ngosa, employed for a few months, this was still not enough to tackle the outstanding curricula for review and pending requests from stakeholders.;
3. It was anticipated that with government investing in road construction activities in the Link Zambia 8000 and Pave Zambia 2000, and the Hospitality and Tourism sectors, requests for new demand-driven short course curricula would be on the increase. However, with the in-coming of the Better Education for Africa's Rise (BEAR) Project, a good number of pending curricula for the two sectors will be dealt with;
4. It is expected that more than 30 programmes will be submitted for approval in 2013.
5. On curriculum evaluation, the planned programmes were not evaluated due to delays in procurement procedures. However, only 5 can be evaluated in 2013, resulting in an increase in the number of un-evaluated curricula.

2.1.2 Improved quality management systems for curriculum documents

Post approval editing and complete syllabus detailing for incomplete documents was carried out before and after curriculum approval of all documents approved in 2012;

2.1.3 Improved capacities in training providers to develop learning programmes

Facilitation of learning programme development and follow up visits were carried out in Eastern and Western Provinces and at Chipembi Farm College;

2.2 TRAINING SYSTEMS DEVELOPMENT

During the year under review, activities under this function were carried out by the Training Systems Development Specialist, after promotion of the then Manager, Mr Cleophas Takaiza to the position of Director Training Standards.

2.2.1 At least 20 lecturers from 10 TEVET institutions trained in ODL materials development by December 2012

2.2.1.1 Under this activity, a total of 29 people were trained in materials development. Of these, 22 were lecturers from 11 institutions, 5 TEVETA staff and 2 people from the MESVTEE. The activity was co-funded between TEVETA and Commonwealth of Learning (CoL);

2.2.1.2 Monitoring of implementation of ODL was carried out at HTTI and ZAMCOM, and visits were conducted to 5 TEVET institutions offering/intending to offer programmes through ODL;

2.2.1.3 Revised draft guidelines for institutions offering/intending to offer programmes through ODL.

2.2.2 Promotion of Workplace Based Learning through public financed projects

2.2.2.1 Stakeholder consultative workshop was held; whose theme was "Mainstreaming of Workplace Based Learning (WPBL) and Training Systems in TEVET";

2.2.2.2 Familiarisation tour of Zambia Sugar WPBL and Training was conducted;

2.2.2.3 Developed draft Learner Application Form for WPBL, and draft Form for WPBL Registration of Contractors;

2.2.2.4 Developed draft Guidelines and application forms for RPL.

2.2.3 Promotion and implementation of Learnership Schemes

2.2.3.1 Facilitated an MoU for a Learnership Scheme between FQM and SOTTI (Kwambula Workshops). The Scheme commenced with 45 learners (43 males and 2 females);

2.2.3.2 Facilitated development of competency task sheets for phase 3 NORTEC/FQM HER Learnership scheme.

2.2.4 Recognition of Prior Learning promoted in at least one sector of the economy

2.2.4.1 Draft Application Form for Recognition of Prior Learning (RPL);

2.2.4.2 A draft brochure of guidelines for RPL was also developed.

7.3.4.3.0 Conclusion

Despite the fact the Division was critically understaffed and there were funding challenges; members of staff did their utmost to ensure most of the planned targets were met.

7.3.5 ASSESSMENTS AND QUALIFICATIONS DIVISION

Assessments and Qualifications Division is responsible for:

- a) Regulating and conducting national examinations and assessments
- b) Regulating and coordinating apprenticeship and trade testing
- c) Determining equivalences of local and foreign examinations
- d) Awarding certificates

6.2.1.2 Administration and Conduct of TEVET Examinations and Assessments

TEVET examinations were conducted for all the three sessions: April 2012, August 2012 and December 2012 respectively. The summary results are as shown in the Appendix:

During the year under review, a number of malpractice cases increased, which prompted the Division to carry out investigations on the reported malpractice cases. Notably, ZASTI and Kitwe Vocational Training Centre (KVTC) where the Police are carrying out thorough investigations.

6.2.1.2.1 Regulating and conducting national examinations and assessments

TEVET Examinations and assessments were conducted in the year 2012. A total of 6736 candidates for TQF4 – TQF6, were examined out of which 4211 passed their examinations. This indicated a pass rate of 63%.

6.2.1.3.2 Regulating and coordinating apprenticeship and trade testing

During the year under review, a total of 5583 candidates for TQF3, were examined out of which 4961 passed their examinations. This indicated a pass rate of 89%.

6.2.1.3.3 Determining equivalences of local and foreign examinations

The year under review, a total of 13 equivalences and 107 exemptions were granted. 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 2013.

8. OUTLOOK FOR 2013

The growth of the economy of Zambia in all sectors will result in increased demand for skilled human resources. 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 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 index financing of skills development programmes by the TEVET sector in response 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 2012

CYMA

Chartered Public Accountants & Management Consultants

4th Floor, Electra House, Cairo Road, PO Box 382980, Lusaka, Zambia

Telephone: 260 211 231960, Telefax: 260 211 237693.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2012

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TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2012

MANAGEMENT & CORPORATE DATA

Name	Position	Institution
Dr. F M. Ndilila	Chairperson	ZACCI
Dr. E. Moonga	Vice Chairperson	NISIR
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hikaumba	Member	ZCTU
Ms B. M. S. Muyambango	Member	NIPA
Dr. H. Mwenda	Member	UNZA
Mrs. J. S. Lungu	Member	Catholic Secretariat
Mr. H. Chibbanda	Member	ZFE
Permanent Secretary	Member	Ministry of Science Technology & Vocational Training
Permanent Secretary	Member	Ministry of Labour and Social Security
Mr. D.C. Chakonta	Board Secretary	TEVETA

Senior Management

Mr. D.C. Chakonta	Director General
Mrs. M. M. Nsemani	Director Finance and Administration
Mrs. C. Kanyensha	Acting Director Development Division
Mr. C. Takaiza	Director Training Standards Division
Mr. O.A. Hachinene	Director Assessment and Qualifications Division

Bankers

Citi Bank Zambia Limited
Stanbic Bank
Zambia National Commercial Bank Plc

Auditors

CYMA
Chartered Public Accountants & Management Consultants

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 2012

DIRECTORS' STATEMENT

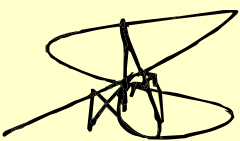
The Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority and of the surplus or deficit for the period.

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 surplus for the year ended 31 December 2012;
- (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 2012;
- (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 11th September, 2013....and signed on its behalf by:

Signature: 
Board Chairperson

Signature: 
Board Secretary

TEVETA FINANCIAL STATEMENTS

For the year ended 31st December 2012

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF FINANCIAL POSITION


As at 31ST December 2012

	NOTES	2012 ZMK	2011 ZMK
ASSETS			
Non – Current Assets			
Property, plant and equipment	5	<u>1,822,637,934</u>	<u>894,019,743</u>
Current Assets			
Inventories		229,541,676	179,260,595
Receivables	7	2,740,659,664	1,712,733,460
Cash and cash equivalents	8	<u>4,339,353,986</u>	<u>2,253,044,036</u>
		<u>7,309,555,326</u>	<u>4,145,038,091</u>
TOTAL ASSETS		<u>9,132,193,260</u>	<u>5,039,057,834</u>
CAPITAL RESERVES AND LIABILITIES			
Capital and Reserves			
Capital fund		5,358,135,078	2,951,415,724
Capital grant		<u>22,538,984</u>	<u>102,722,471</u>
Non-current liabilities		<u>5,380,674,062</u>	<u>3,054,138,195</u>
Current Liabilities			
Other payables and short term provision	9	<u>3,751,519,198</u>	<u>1,984,919,639</u>
TOTAL CAPITAL RESERVES AND LIABILITIES		<u>9,132,193,260</u>	<u>5,039,057,834</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 2012

		2012 ZMK	2011 ZMK
	Notes		
Income	2.3	25,848,050,633	22,850,636,852
Expenditure			
Direct Expenses	Appendix 1	(14,145,975,705)	(14,110,938,395)
Administration Expenses	Appendix II	(9,295,355,574)	(8,283,707,954)
Exchange Differences		-	-
Surplus/(deficit) of income Over expenditure	3	<u>2,406,719,354</u>	<u>455,990,503</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 2012

	Capital Fund ZMK	Capital Grant ZMK	Total Grant ZMK
Balance on 1 January 2011	2,495,425,221	204,181,848	2,699,607,069
Amortization of Capital Grant	-	(101,459,377)	(101,459,377)
Deficit of income over expenditure 31 December 2011	455,990,503	-	455,990,503
31December 2011	<u>2,951,415,724</u>	<u>102,722,471</u>	<u>3,054,138,195</u>
Balance on 1 January 2012	2,951,415,724	102,722,471	3,054,138,195
Amortization of Capital Grant	-	(80,183,487)	(80,183,487)
Surplus of income over expenditure 31 December 2012	<u>2,406,719,354</u>	<u>-</u>	<u>2,406,719,354</u>
At 31 December 2012	<u>5,358,135,078</u>	<u>22,538,984</u>	<u>5,380,674,062</u>

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 2012

	NOTES	2012 ZMK	2011 ZMK
CASHFLOW FROM OPERATING ACTIVITIES			
Excess/(deficit) of income over expenditure for the year		2,406,719,354	455,990,503
Adjustment in for non cash items			
Interest income	2.3	(2,037,298)	(1,710,877)
Depreciation	5	488,002,031	473,627,934
Amortization of capital grant		(80,183,487)	(101,459,376)
		2,812,500,600	826,448,184
Changes in working capital			
(Increase)/decrease in inventories		(50,281,081)	(27,478,478)
Increase in receivables		(1,027,926,204)	(434,860,055)
Increase in other payables		1,766,599,559	665,729,252
Net cash inflows/(outflows) from operations		<u>3,500,892,874</u>	<u>1,029,838,902</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Interest income	2.3	2,037,298	1,710,877
Purchase of property, plant and machinery	5	(1,416,620,222)	(265,159,119)
Net cash outflows on investing activities		<u>(1,414,582,924)</u>	<u>(263,448,241)</u>
NET CASH INFLOWS/ (OUTFLOWS)		<u>2,086,309,950</u>	<u>766,390,660</u>
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at the beginning of the year		2,253,044,036	1,486,653,376
Increase/(Decrease) during the year		2,086,309,950	766,390,660
Cash and Cash equivalents at end of the year	8	<u>4,339,353,986</u>	<u>2,253,044,036</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31ST December 2012

1. Establishment

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

2. Significant Accounting Policies

2.1 Basis of Accounting

These are the Financial Statements of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) established in terms of the Technical Education, Vocational Entrepreneurship Training (TEVET) Act No. 13 of 1998, as amended by the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005 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 2012

Component	ZMK 31 December 2012	ZMK 31 December 2011
Government Grants Revenue	6,900,000,000	6,470,120,604
Government Grants-Tevet Fund	9,787,500,000	10,162,000,000
Government Grants Examination	1,322,826,759	1,011,120,000
TEVET Fund Administrative Fee	550,000,000	550,000,000
Registration Fees	1,251,666,667	200,833,336
Accreditation Fees	820,100,000	1,137,850,000
Examination Fees	4,959,995,000	3,130,133,000
Amortization of the Capital Grant	80,183,487	101,459,376
Interest	2,037,298	1,710,878
Other Income	173,741,422	64,587,939
Sale of Syllabi	-	20,821,720
TOTAL	<u>25,848,050,633</u>	<u>22,850,636,852</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:

Land & Buildings	02%
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 cashflows

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2012

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.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2012

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 bypassed 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:

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2012

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 2012

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 2012	ZMK 31 December 2011
Audit fees	68,046,000	130,400,000
Gratuities	1,062,224,860	890,371,739
Leave	409,160,502	200,445,820
Depreciation	488,002,031	473,627,934
Board fees and expenses	337,466,820	225,693,597

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 2012

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 01.01.2011	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	35,969,258	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>250,140,395</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>894,019,743</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 2012

S.	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 01.01.2012	73,297,230	1,466,749,788	424,793,654	485,788,005	755,123,745	232,620,054	3,438,372,476
Additions	32,510,587	389,904,400	478,006,590	236,900,000	236,885,070	42,413,575	1,416,620,222
Balance at 31.12.2012	<u>105,807,817</u>	<u>1,856,654,188</u>	<u>916,263,002</u>	<u>739,546,005</u>	<u>1,042,342,105</u>	<u>459,538,700</u>	<u>5,120,151,817</u>
Depreciation							
Balance at 01.01.2012	3,885,327	1,143,037,848	384,671,114	298,355,524	729,421,643	250,140,396	2,809,511,852
Charge for the year	<u>1,499,278</u>	<u>201,817,169</u>	<u>82,540,892</u>	<u>74,028,893</u>	<u>70,750,651</u>	<u>57,365,148</u>	<u>488,002,031</u>
Balance at 31.12.2012	<u>5,384,605</u>	<u>1,344,855,017</u>	<u>467,212,006</u>	<u>372,384,417</u>	<u>800,172,294</u>	<u>307,505,544</u>	<u>3,297,513,883</u>
Net Book Value							
Balance at 31.12.2012	<u>100,423,212</u>	<u>511,799,171</u>	<u>449,050,996</u>	<u>367,161,588</u>	<u>242,169,811</u>	<u>152,033,156</u>	<u>1,822,637,934</u>
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>894,019,743</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2012

6. Capital commitments

The Authority did not have any capital commitments at 31 December 2012

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 2012	ZMK 31 December 2011
Staff Receivables	303,622,975	286,938,777
Prepayments	75,517,912	32,177,038
Sundry Debtors	570,180,170	-
Other Receivables	<u>1,791,338,607</u>	<u>1,393,617,645</u>
	<u>2,740,659,664</u>	<u>1,712,733,460</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 2012

8. Cash and Cash Equivalents

	ZMK 31 December 2012	ZMK 31 December 2011
Citibank – TEVETA/GRZ	428,772,122	736,195,440
Stanbic – IDA Kwacha	2,195,530	2,195,530
Citibank-Examinations	100,205,752	658,760,000
Stanbic – GRZ ZMK	522,788,228	62,445,984
Zanaco	1,820,587,941	791,447,082
Cash in Hand	315,000	2,000,000
Citibank –GRZ Construction	1,464,489,413	-
	<u>4,339,353,986</u>	<u>2,253,044,036</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.

Deferred income is in respect of a grant from government for the construction of Examination Annex which is expected to commence in 2013.

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

	ZMK 31 December 2012	ZMK 31 December 2011
Deferred Income	1,500,000,000	-
Employees related accruals	822,317,177	721,046,760
Local suppliers	1,070,813,148	815,019,736
Sundry payables and accrued expenses	257,734,873	232,381,640
Credit balances in debtors	100,654,000	216,471,503
	<u>3,751,519,198</u>	<u>1,984,919,639</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2012

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

	ZMK	ZMK
	31 December 2012	31 December 2011
Gratuity	509,444,694	464,606,061
Leave Pay	312,872,483	256,440,699

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.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Transactions

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

	ZMK 31 December 2012	ZMK 31 December 2011
Government Funding received	<u>6,900,000,000</u>	<u>6,470,120,604</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 2012

Appendix I

	31 December 2012 K	31 December 2011 K
Improve Operational Efficiency of TEVETA	22,475,000	7,720,000
Develop Accreditation Systems	40,598,669	64,803,928
Operationalise TEVET Fund	8,814,742,756	9,811,067,107
Sixteen National Curricular Revised & Approved	320,774,486	143,075,070
Human Resource Development Plan	765,858,046	683,314,213
Implement TQF to Improve TAQS	-	(1,828,000)
Revenue, Registration Accreditation Visits	30,776,310	22,801,692
TEVET Institutions Registered	57,730,484	16,854,500
Conduct 300 Inspections & TPs Adherence	119,921,398	101,275,314
Conduct & Administer Exams	2,891,622,196	2,630,739,908
Improve Trade Testing Systems	539,454,093	127,989,500
Promote and Implement IEC Strategy	292,211,594	305,138,288
Establish & Improve Org.MSTP with F & A	-	6,163,000
Increase ICT Application in TEVET	-	-
Training System Development Projects	249,810,673	122,694,875
	-	69,129,000
Total	<u>14,145,975,705</u>	<u>14,110,938,395</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

ADMINISTRATION EXPENSES

For the year ended 31ST December 2012

Appendix II

	31 December 2012 K	31 December 2011 K
Audit fees	68,046,000	130,400,000
Bank charges	31,431,147	30,260,564
Cleaning expenses	30,718,058	32,767,881
Depreciation	488,002,031	473,627,934
Board expenses	337,466,820	207,713,597
Electricity and Water	29,066,649	32,906,840
Preparation of Accounts Budgets	110,571,529	44,406,000
Produce Annual Reports	-	17,980,000
General Expenses	85,987,840	47,228,023
Insurance and Licenses	316,394,862	239,824,793
Leave and Gratuity	1,471,385,362	1,090,817,559
Local Travel	65,000	3,225,000
Motor vehicles expenses	435,419,131	447,129,661
Office Expenses	32,168,054	33,172,632
Staff Relocation Costs	-	-
Printing and Stationery	154,078,479	117,042,425
Repairs and maintenance	72,075,930	35,201,337
Salaries and wages	4,728,567,656	4,312,375,277
Overtime-Fin. & Admin	1,648,183	6,496,098
Security	81,258,000	95,516,200
Management Fees-TEVETA	550,000,000	550,000,000
Settling in allowance	34,658,978	21,027,707
Subscription and Donations	-	20,737,835
Telephone and postage	143,757,423	174,066,274
Internet	70,385,842	94,447,640
Computer expenses	22,202,600	25,336,677
Total	<u>9,295,355,574</u>	<u>8,283,707,954</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVET FUND - INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2012

Appendix III

	2012 K	2011 K
INCOME		
TEVET Fund Support-GRZ	9,787,500,000	10,162,000,000
	<u>9,787,500,000</u>	<u>10,162,000,000</u>
EXPENDITURE		
Direct Expenses		
Window 3:Investment & Development	-	101,105,000
Subsidy	6,771,248,738	5,337,445,750
Bursary	2,001,713,618	4,327,435,487
	<u>8,772,962,356</u>	<u>9,765,986,237</u>
Administration Expenses		
Bank Charges	4,195,400	3,203,860
Management Fees	550,000,000	550,000,000
	<u>554,195,400</u>	<u>553,203,860</u>
DEFICIT FOR THE PERIOD	<u>460,342,244</u>	<u>(157,190,097)</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVETA - INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2012

Appendix iv

	31 December 2012 K	31 December 2011 K
INCOME		
Grant-GRZ	6,900,000,000	6,470,120,604
Grant-Ex amination	1,322,826,759	1,011,120,000
Registration Fees	1,251,666,667	200,833,336
Accreditation Fees	820,100,000	1,137,850,000
TEVET Fund Administrative Fees	550,000,000	550,000,000
Curriculum/Syllabus	68,428,246	20,821,720
Examination Fees	4,959,995,000	3,130,133,000
Bank Interest	2,037,298	1,710,878
Other Income	105,313,177	64,387,939
Amortization of Grant	80,183,487	-
	<u>16,060,550,634</u>	<u>12,586,977,477</u>
EXPENDITURE		
Direct Expenditure		
Improve Operational Efficiency of TEVETA	22,475,000	7,720,000
Revenue, Registration, Accreditation Visits	30,776,310	22,801,692
Human Resource Dev Plan for TEVETA	765,858,046	683,314,213
Operationalise TEVET Fund	41,780,400	45,080,870
Sixteen National Curricular Rev & Approved	320,774,486	143,075,070
TEVET Institutions Registered	57,730,484	16,854,500
At Least 300 Inspected TPs adhere to Quality	119,921,398	101,275,314
Develop Accreditation System	40,598,669	64,803,928
Assessment & Qualifications System	3,431,076,289	2,758,729,408
Develop Update TAQS and Methods	-	-1,828,000
Facilitate Dev Technical Capacity-Institution	-	6,163,000
Training System Development	249,810,673	122,694,875
Projects	-	69,129,000
Implement IEC Strategy	292,211,594	305,138,288
	<u>5,373,013,349</u>	<u>4,344,952,159</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVETA - INCOME AND EXPENDITURE STATEMENT (Contd)

For the year ended 31ST December 2012

Appendix iv (Contd)

31 December 2012	31 December 2011	K	K
Administration Expenses			
Adherence to Reporting Requirements	516,084,349		400,499,597
Stationery & Consumables	154,078,479		117,042,425
Cleaning Expenses	30,718,058		32,767,881
Office Expenses	32,168,054		31,265,832
General Expenses	68,363,700		49,080,953
Telephone	120,940,749		154,777,025
Electricity	28,871,649		32,096,840
Water	195,000		-
Internet Services	70,385,842		94,447,640
Computer Expenses	22,202,600		25,336,677
Security Services	81,258,000		95,516,200
Postage	22,816,675		19,289,249
Insurance & Licenses	316,394,862		239,824,793
Repairs & Maintenance-Office Equipment	21,364,900		30,412,337
Repairs & Maintenance-General	50,711,030		4,789,000
Motor Vehicles Expenses	435,419,131		447,129,661
Depreciation	488,002,031		342,016,421
Local Travel	65,000		3,225,000
Subscriptions	17,624,140		20,737,835
Bank Charges	27,235,747		26,251,991
Overtime-Finance & Administration	1,648,183		6,496,098
Leave & Gratuity	1,468,385,362		1,090,817,559
Settling in Allowance	34,658,978		21,027,707
Personal Emoluments	4,728,567,656		4,312,375,277
	<u>8,737,932,343</u>		<u>7,598,033,999</u>
Exchanges Differences	-		-
Total	<u>14,111,945,692</u>		<u>11,942,986,158</u>
 SURPLUS OF INCOME OVER EXPENDITURE	 <u>1,948,604,942</u>		 <u>643,991,319</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP
TRAINING AUTHORITY
(TEVETA)

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

CYMA
Chartered Public Accountants & Management Consultants
4th Floor, Electra House, Cairo Road, PO Box 382980, Lusaka, Zambia
Telephone: 260 211 231960, Telefax: 260 211 237693.

TEVETA – TEVET FUND
Financial Statements

 For the year ended 31ST December 2012

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Notes to the Financial Statement	40-41
Detailed Fund Accountability Statement	42-43
Tevet Income and Expenditure Statement	60-61

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2012

MANAGEMENT & CORPORATE DATA

Name	Position	Institution
Dr. F M. Ndilila	Chairperson	ZACCI
Dr. E. Moonga	Vice Chairperson	NISIR
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hikaumba	Member	ZCTU
Ms B. M. S. Muyambango	Member	NIPA
Dr. H. Mwenda	Member	UNZA
Mrs. J. S. Lungu	Member	Catholic Secretariat
Mr. H. Chibbanda	Member	ZFE
Permanent Secretary	Member	Ministry of Science Technology & Vocational Training
Permanent Secretary	Member	Ministry of Labour and Social Security
Mr. D.C. Chakonta	Board Secretary	TEVETA

Senior Management

Mr. D.C. Chakonta	Director General
Mrs. M. M. Nsemani	Director Finance and Administration
Mrs. C. Kanyensha	Acting Director Development Division
Mr. C. Takaiza	Director Training Standards Division
Mr. O.A. Hachinene	Director Assessment and Qualifications Division

Bankers

Citi Bank Zambia Limited
Stanbic Bank
Zambia National Commercial Bank Plc

Auditors

CYMA
Chartered Public Accountants & Management Consultants

Registered Office

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

TEVETA - TEVET FUND

Financial Statements

For the year ended 31ST December 2012

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

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 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 2012 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

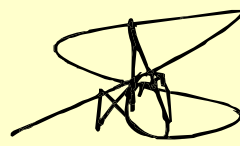
The director's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; 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 2012; 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 11th September, 2013 and signed on its behalf by:

Signature : 
Board Chairperson

Signature: 
Board Secretary

TEVETA-TEVET FUND FINANCIAL STATEMENTS

For the year ended 31st December 2012

TEVETA - TEVET FUND**Financial Statements**For the year ended 31ST December 2012**FUND ACCOUNTABILITY STATEMENT**

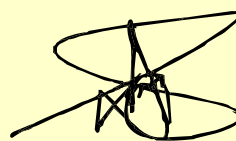
		2012	2011
	<i>Notes</i>	K	K
Fund balance brought forward	<i>1</i>	64,641,514	221,831,611
Balance brought forward		64,641,514	221,831,611
FUNDS RECEIVED			
Funds received	<i>2</i>	9,787,500,000	10,162,000,000
Total funds available		9,852,141,514	10,383,831,611
DISBURSEMENTS			
Fund Disbursements	<i>Appex I</i>	8,772,962,356	9,765,986,237
Administrative and other expenses	<i>Appex I</i>	554,195,400	553,203,860
		9,327,157,756	10,319,190,097
Fund balance carried forward		524,983,758	64,641,514
Represented by:			
Cash and Bank Balances	<i>3</i>	524,983,758	64,641,514

The Fund Accountability Statement was approved by the Directors at a meeting held on..11th.September.. 2013.. and signed on its behalf by:

Signature: _____



Signature: _____



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

TEVETA - TEVET FUND

Accounting Policies

For the year ended 31ST December 2012

The principal accounting policies adopted in the preparation of the Fund Accountability statement are set out below:

(a) Basis of preparation of the financial statements

The Fund Accountability Statement is prepared on a cash basis under the historical cost convention. The cash basis of accounting differs from generally accepted accounting principles in that transactions and other events are not recognized when they occur but when cash or its equivalent is received or paid.

New Standards and interpretations not yet adopted

The Authority has not adopted the following amendments to existing standards and the other new standards and interpretations that are mandatory for the organisation for accounting periods beginning on or after 1 January 2007; 1 January 2008; and 1 January 2009.

- IAS 1-Capital disclosures-from 1 January 2007
- IAS 23 amended-Borrowing costs-from 1 January 2007
- IFRS 7-Financial instruments disclosures-from 1 January, 2007
- IFRIC 12 Service Concession agreements-from 1 January 2008
- IFRC 13 Customer loyalty programmes-from 1 January 2009
- IFRS 8-Operating segments-from 1 January 2009

The directors have assessed the relevance of these amendments and interpretations with respect to the Authority's operations and concluded that they are not relevant to the Authority and in particular to the TEVET Fund.

(b) Funds Received

Receipts represent funds received and are recognised when received.

(c) Foreign currencies

Transactions in foreign currencies are converted into Zambian kwacha at monthly average rates ruling during the period. The resulting differences from conversion and translation are recognised in the Fund Accountability statement in the period in which they arise.

TEVETA - TEVET FUND
Notes to the Financial Statements

 For the year ended 31ST December 2012

1. OPENING FUND BALANCES	2012	2011
	K	K
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>
2. FUNDS RECEIVED		
MSTVT-GRZ	9,787,500,000	10,162,000,000
	<u>9,787,500,000</u>	<u>10,162,000,000</u>
	<u>9,787,500,000</u>	<u>10,162,000,000</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	2,195,530
Stanbic GRZ ZMK account	522,788,228	62,445,984
	<u>524,983,758</u>	<u>64,641,514</u>

TEVETA - TEVET FUND**Notes to the Financial Statements**

For the year ended 31ST December 2012

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 2012.

6. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2012.

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 2012**Appendix i**

	2012	2011
	K	K
Funds brought forward	64,641,514	221,831,611
Revised brought forward balance	64,641,514	221,831,611
FUNDS RECEIVED		
MSTVT	9,787,500,000	10,162,000,000
	<u>9,787,500,000</u>	<u>10,162,000,000</u>
AVAILABLE FUNDS	9,852,141,514	10,319,190,097
DISBURSEMENTS		
Window 4: Investment and Development funding	-	(101,105,000)
Subsidy	(6,771,248,738)	(5,337,445,750)
Bursary	<u>(2,001,713,618)</u>	<u>(4,327,435,487)</u>
Total Disbursements	<u>(8,772,962,356)</u>	<u>(9,765,986,237)</u>

TEVETA - TEVET FUND**Detailed Fund Accountability Statement (Cont)**For the year ended 31ST December 2012**Appendix ii****ADMINISTRATIVE EXPENSES**

Bank Charges	(4,195,400)	(3,203,860)
Management Fees - TEVETA	(550,000,000)	(550,000,000)
	<hr/>	<hr/>
Total Administrative expenses	<u>(554,195,400)</u>	<u>(553,203,860)</u>
	<hr/>	<hr/>
Fund Balance	<u>524,983,758</u>	<u>64,641,514</u>
	<hr/>	<hr/>
Represented By:		
Bank and Cash balances	<u>524,6983,758</u>	<u>64,641,514</u>

TEVETA - TEVET FUND**Tevet Fund Income and Expenditure Statement**

For the year ended 31st December 2012

Appendix iii

	2012 K	2011 K
INCOME		
TEVET Fund Support-GRZ	9,787,500,000	10,162,000,000
	<u>9,787,500,000</u>	<u>10,162,000,000</u>
EXPENDITURE		
Direct Expenses		
Window 4:Investment & Development	-	101,105,000
Subsidy	6,771,248,738	5,337,445,750
Bursary	2,001,713,618	4,327,435,487
	<u>8,772,962,356</u>	<u>9,765,986,237</u>
Administration Expenses		
Bank Charges	4,195,400	3,203,860
Management Fees	550,000,000	550,000,000
	<u>554,195,400</u>	<u>553,203,860</u>
(DEFLICIT)/SURPLUS FOR THE PERIOD	<u>460,342,244</u>	<u>(157,190,097)</u>

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 economic development of Zambia.



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