



TEVETA ANNUAL REPORT 2013

SKILLS FOR DEVELOPMENT



**Technical Education, Vocational and Entrepreneurship Training
Authority**

Annual Report 2013

SKILLS FOR DEVELOPMENT

CONTENTS

1. Vision, Mission Statement and Values.....	3
2. Registered Office.....	4
3. Board Members.....	5
4. Committees of the Board.....	6
5. TEVETA Senior Management.....	7
6. Statement from the Chairman.....	8
7. Operational Review by the Director General.....	9
8. Outlook for 2014.....	23
9. Financial Statements.....	30-47

1. VISION, MISSION AND VALUES

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) through regulation, coordination, monitoring and stakeholder consultation will:

- **Develop and maintain** a TEVET system that operates to internationally best practices and/or 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;

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		

2. REGISTERED OFFICE

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

Bankers:

1. Citibank Zambia Limited
Citibank House
Cha Cha Cha Road
Lusaka
Zambia
2. Stanbic Bank Zambia Limited
Woodgate House
Cairo Road
Lusaka
Zambia
3. Zambia National Commercial Bank Limited
Civic Centre Branch
Independence Avenue
Lusaka
Zambia

Auditors

CYMA Chartered Public Accountants and
Consultants

3. BOARD MEMBERS



Dr. Francis M. Ndilila
Ndilila Associates
Chairperson



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



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



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



Mr. Leonard Hikaumba
Zambia Congress of Trade Unions
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

4. COMMITTEES OF THE BOARD

Finance and Administration Committee

Dr. Elder Moonga

Chairperson

Mr. L. Hikaumba – Zambia Congress of Trade Unions

Permanent Secretary – Ministry of Education, Science, Vocational Training and Early Education

Permanent Secretary – Ministry of Labour and Social Security

Ms. J. Muwo – Choice Corporate

Mrs. A. Kalulu – Bankers Association of Zambia

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

Secretary

Technical Committee

Mrs. B. Muyambango – National Institute of Public Administration

Chairperson

Mrs. J. Shamwana Lungu – Catholic Secretariat

Mr. F. Mulimbika – Chamber of Mines of Zambia

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

Mrs C. Sakala – Director Standards & Curriculum – Ministry of Education, Science, Vocational Training and Early Education

Mr. A. M. K. Simumba – Director Vocational Education and Training – Ministry of Education, Science, Vocational Training and Early Education

Professor S. Simukanga – University of Zambia

Mr. C. Mazuba – Zambia Association of Chambers of Commerce and Industry

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

Secretary (1)

Mr. C. Takaiza – Director Training Standards – TEVETA

Secretary (2)

Mrs. C. M. Kanyensha – Director Development Division – TEVETA

Secretary (3)

Audit Committee

Mr. H. Chibanda – Zambia Federation of Employers.

Chairperson

Mrs. J. Shamwana Lungu – Catholic Secretariat

Mr. A. M. K. Simumba – MESVTEE

Mr. P. Haboongo – Zambia Institute of Chartered Accountants

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

Mrs. M. M. Fulai – Manager Internal Audit – TEVETA

Secretary

5. 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
Assessments and
Qualifications Division



Mrs. Catherine M. Kanyensha
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 2013.

The year saw growth in the number of people accessing TEVET as measured by number of candidates accessing examination and certification services. The TEVET Fund was re-activated as an economic incentive based regulated tool for achieving particular Government policy goals and objectives. The Authority operated only Window 3 – whose focus is the Informal/Micro Enterprise sector training. The training was done with a view to promoting self-employment among youths. Promotion of new learning pathways enabled trading market based artisans mainly in Lusaka, to access Trade Testing services. Two hundred and fifty seven (257) curricula constituted the Authority's total portfolio of national curricula.

The year 2013 did not however witness many changes in the Governance and Management structures of the Authority compared to 2012.

With regard to accreditation, about 674 TEVET professionals were accredited as trainers, 159 as skills Assessors and 208 were accredited as examiners. The total portfolio of approved curricular in the year was 257. With regard to assessment and certification services, a total of 9,334 candidates sat for examinations for regular programmes leading to the Zambia National Qualifications Framework (ZNQF)/TEVET Qualifications Framework (TQF) levels 4 to 6 (Certificate, Advanced Certificate and Diploma level qualifications) respectively; the average pass rate recorded was 49%.

For programmes leading to Trade Test certificate level, the total number of candidates who sat was 7,160 with the average pass rate being 88%. This translates to a 28% growth in the number of candidates sitting for Trade Test compared to the previous year. The year 2013 closed with the commencement of the tendering consulting services for the design and construction supervision of the TEVET Examinations Annex.

During the year, Government launched the Industrialisation and Job Creation Strategy, with one of the objectives being the creation of at least one (1) million jobs by 2016. In part response to this, the Authority developed a regulatory initiative called **“My Job + 1 Business Challenge Competition Programme”**, as one mechanism for promoting the Entrepreneur/Employer career pathway, thereby ensuring a talent pipeline of growth oriented entrepreneurs to lead and drive industrialisation, job creation, productivity, and innovation in the economy. The Programme will be launched in early 2014.

As we look forward to 2014, the year of our Golden Jubilee celebration of our independence, and beyond, the guiding question for the Authority's activities and programmes will always be: **“Why TEVET?”** The Board remains grateful to the Government of the Republic of Zambia and other stakeholders, who have continued to support the work and programmes of the Authority.



Dr. Francis M. Ndilila
Board Chairperson
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
- v) do all such things connected to or incidental to the functions of the Authority under this Act

7.2 Governance

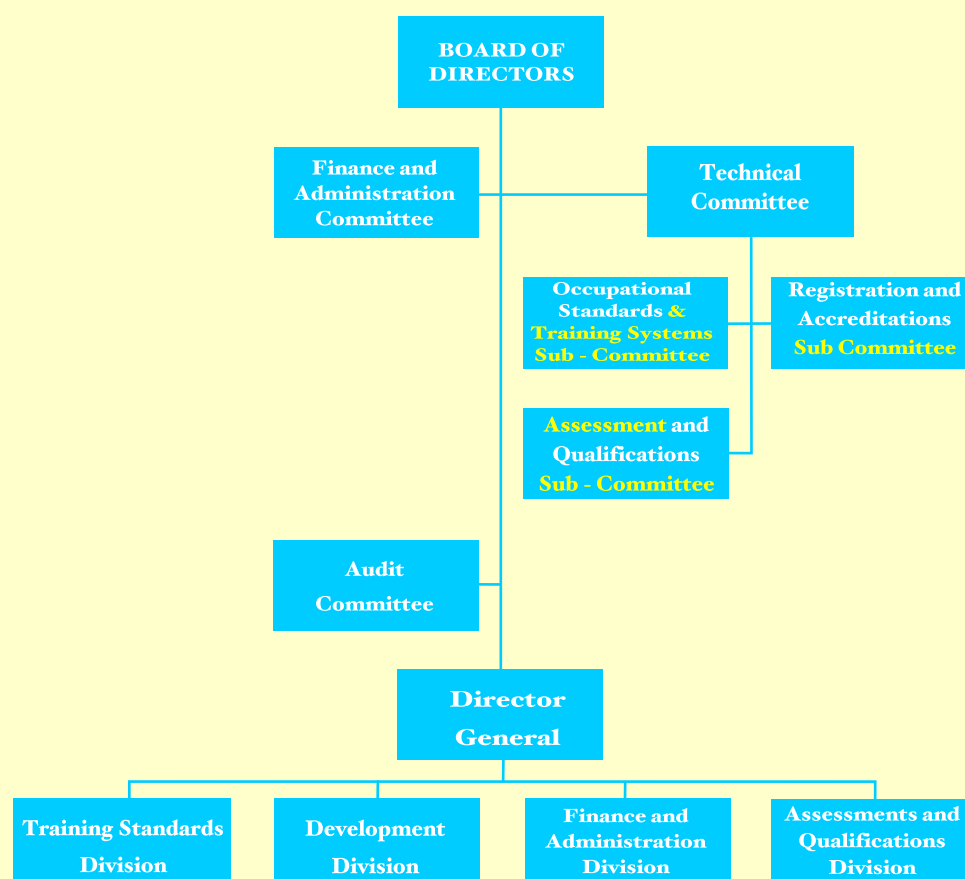
TEVETA is governed by a Board of Directors appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

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

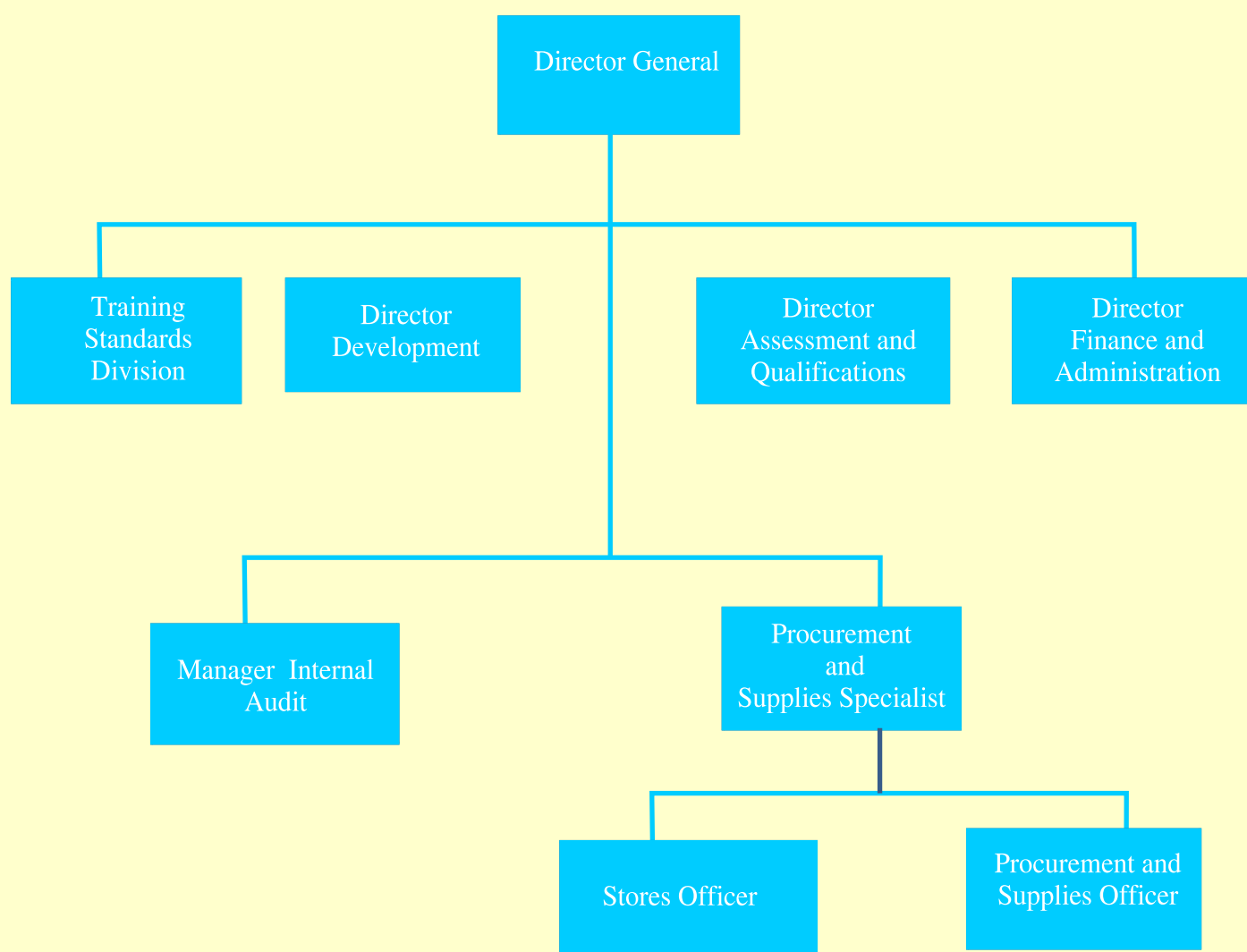


7.3 The Role of TEVETA

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 2013.

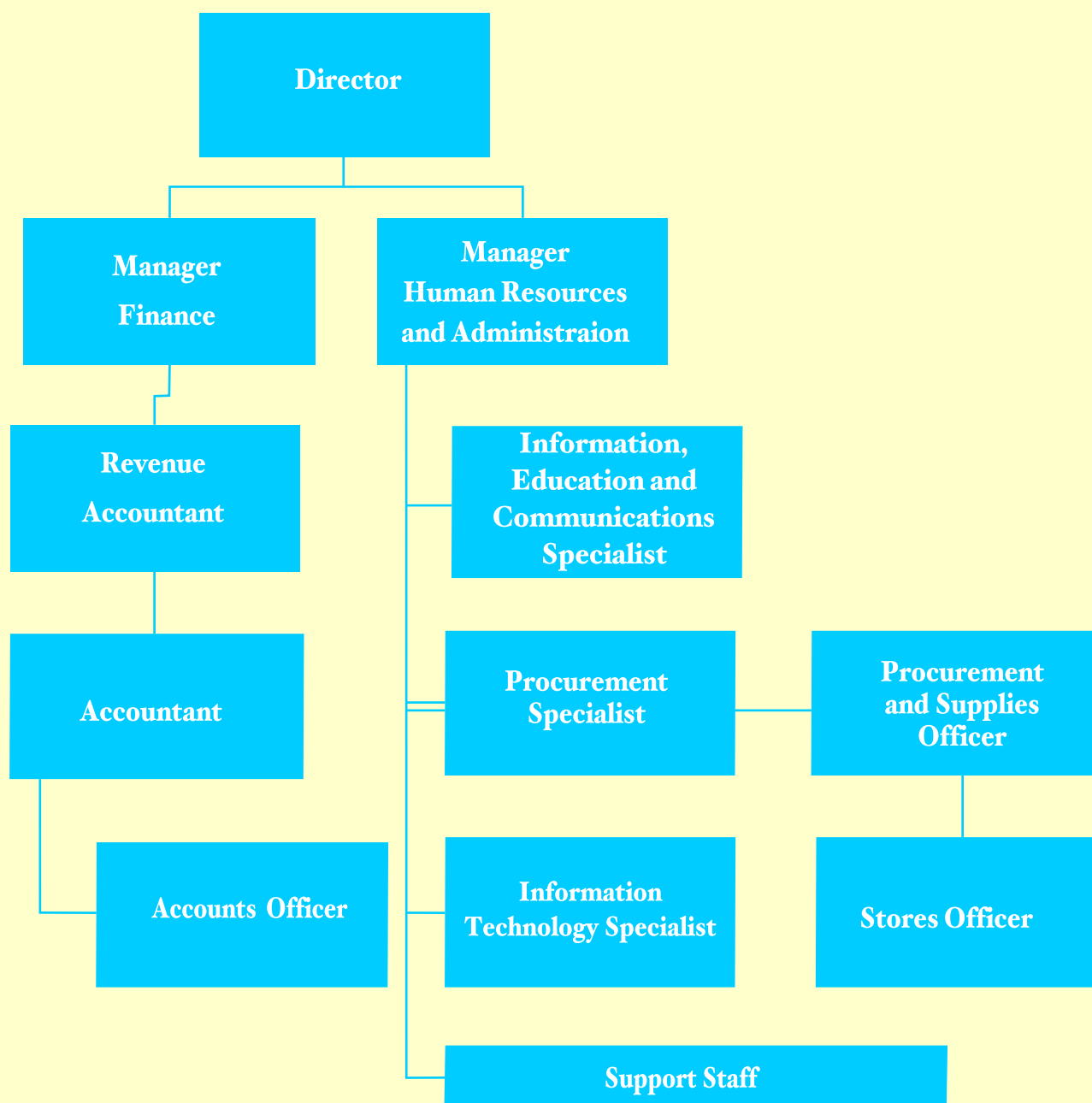
7.3.1 Organizational and Management Structure



7.3.1 FINANCE AND ADMINISTRATION DIVISION

7.3.1.1 Finance and Administration Divisional Structure

Figure 2: The Finance and Administration Division



7.3.1.2 Finance Unit

The Unit provided corporate financial services and also conducted regulatory fee compliance verification visits to sixty seven (67) training institutions throughout the country in order to reconcile accounts and collect any outstanding payments.

7.3.1.2 TEVET Fund

During the year, sensitization visits were conducted in all the Provinces. These were aimed at sensitizing institutions and disseminating information about accessing financing through the TEVET Fund. The target group was all registered public training institutions offering TEVET. In addition, the Fund invited proposals for training provision from the same institutions. The proposals were evaluated, and successful applicants were financed as per table below:

Table 1: TEVET Fund Disbursements in 2013

No.	Name of Institution	Training Programmes	No of Trainees	Contract Amount	Amount Disbursed
1	Teachers Vocational Training College (TVTC)	Basic joinery and entrepreneurial skills	30	63,000	40,500
2	Kasiya Business & Secretarial College	Skills for starting & managing a business	80	111,000	97,000
3	Mansa Trades Training Institute	Electrical installations, Building & Plastering, Carpentry and Joinery, Plumbing & Sheetmetal work, Automotive Mechanics, General Agriculture	240	150,100	100,100
4	Zambia Institute of Mass Communication (ZAMCOM)	Digital Photography	50	50,000	16,500
5	National Vocational Rehabilitation Centre(NVRC)	Machining	15	63,130	32,765
6	Audio Visual Unit	Video Shooting	30	105,000	52,500
7	Choma Trades Training Institute	Mechanical Fitting, Power Electrical, Automotive Mechanics, carpentry & Joinery, Bricklaying	75	99,000	49,500
8	King George VI Youth Centre	Sustainable agricultural integrated systems, Poultry Production & Management	60	110,165	105,965
9	Solwezi Skills	Basic welding-door frames	25	19,522	19,522
10	Kabwe Institute of Technology	Fabrication of metal components	30	166,741	125,041
11	Solwezi Skills	Maintenance of domestic electrical appliances	10	32,468	18,261
12	Mongu Skills	Design, cutting & Tailoring skills	20	48,200	36,150
13	Mongu Trades Training Institute	General Agriculture, Power Electrical, Carpentry & Joinery, Bricklaying & Plastering	60	75,000	37,500
Total			725	1,093,326	731,304

In addition Evelyn Hone College of Applied Arts & Commerce and Northern Technical College were paid amounts of K128, 887 and 150,896 respectively. These were balances on the 2012 contracts. The Fund also conducted monitoring and evaluation visits to all beneficiary institutions on a quarterly basis. This was to ensure that the desired outputs were achieved.

7.3.1.3 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 as well as increasing TEVETA's presence online. The unit was actively involved in the dissemination of TEVET information through various media. Key activities towards the unit's objective included broadcasting pre-recorded TEVET programmes through Community Radio Stations in all provinces. There radio programmes were in a series of thirteen.

In addition, TEVETA participated in six (06) Radio programmes on ZNBC Radio Four hosted by the Zambia Institute of Marketing which focused on TEVETA's role in accreditation of foreign examination bodies and equivalencing of qualifications on the TEVET Qualifications Framework, accreditation of trainers, and registration of training institutions, among others. TEVETA also participated in a radio programme on Christian Radio focusing role of TEVETA in curriculum development for the vocational education system, accreditation of foreign examination bodies and equivalencing of qualifications on the TEVET Qualifications Framework.

The Authority was furthermore hosted for a television programme on ZNBC (TV 1) and TV2 under "National Watch and Morning Live" focusing on accreditation of Foreign Examining Boards, Registration of Training Institutions, Accreditation of trainers, assessors and examiners. The television programme on TV2's Morning Live focused on credibility of TEVET institutions (quality assurance at registration and afterwards), the role of TEVETA in skills development, equivalencing of foreign qualifications, training pathways, and the TEVET Qualification Framework (TQF) in relation to National Qualifications.

The Authority participated in the Mobile Career Talk programme involving seventeen (17) Secondary Schools in Lusaka province. The purpose of the Mobile Career Talks and Career Expo was to promote career preparedness with due reference to TEVET. This was in response to the prevailing inadequacies in available career information relative to labour market information.

There was continued updating of the TEVETA website and social media (Facebook, You Tube and Twitter) to ensure that the public was made aware of the happenings in the TEVET sector. In addition, the Authority participated in the Zambia International Trade Fair, the Lusaka Agriculture and Commercial Show. These activities provided 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.

7.1.3.4 Human Resources and Administration

The staff complement during the year was stable. The Authority implemented the revised terms and conditions of service which included extension of contract period from three years to five years.

During the year, staff underwent various Continuous Professional Development (CPD) and skills upgrade programmes. Staff also attended various TEVET related workshops/seminars and conferences.

The Authority participated in a number of public activities which included the International Women's Day celebrations, Labour Day celebrations and World AIDS Day celebrations. In addition, the Authority held three (03) AIDS awareness campaign activities for its staff in line with its HIV/AIDS policy.

Table 2: TEVETA Staff 2013

Category	At 31 st Dec '12	Recruited	Promoted	Separated	At 31 st Dec '13	Establishment Approved
DG and Directors	4	0	1	0	5	5
Managers	9	0	1	0	10	9
Specialists	19	2	-2	0	19	22
Officers	5	0	0	-1	4	7
Support	7	0	0	0	7	8
Net Totals	44	2	0	-1	45	51

7.3.2 TRAINING STANDARDS DIVISION

The Training Standards Division is responsible for registration and accreditation activities; these constitute the means by which the 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 is accomplished. The monitoring and enforcement of training standards is done through;

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

7.3.2.1 Inspection and Registration of Training Institutions

The Training Quality Assurance inspections were conducted for purposes of registration of new training institutions and also to ensure compliance with minimum training standards amongst already registered institutions. During the year nineteen (19) new training institutions were inspected and registered to offer training with TEVETA while twenty six (26) training institutions who had their certificates suspended in 2012 had their registration certificates re-issued after having complied with all the requirements. On the other hand, a total of eight (8) Training Institutions had their certificates of registration withdrawn for failing to comply with the minimum training standards. As at December 2013, there were two hundred and seventy five (275) registered training institutions. Table 3 to 5 illustrates patterns of training institution distribution of registered institutions by province and grading; training institutions by province and ownership. Ownership category;

Table 3: Distribution of Institutions according to Grades as at 31st December 2013

PROVINCE	GRADE			TOTAL	%
	1	2	3		
Central	1	7	5	13	4.7
Copperbelt	9	29	34	72	26.2
Eastern	0	2	7	9	3.3
Luapula	0	6	5	11	4.0
Lusaka	23	40	45	108	39.3
Muchinga	0	2	3	5	1.8
Northern	0	2	3	5	1.8
North-Western	1	6	5	12	4.4
Southern	8	8	16	32	11.6
Western	0	6	2	8	2.9
TOTAL	42	108	125	275	100.0
%	15.3	39.3	45.5	100	

Table 4: TEVET Institutions by ownership

Name of Province	Type of Ownership							Total
	Public / Government	Private	Church	Community	Trust	Company	NGO	
Lusaka	22	50	16	3	11	1	5	108
Copperbelt	21	17	16	2	2	9	5	72
Southern	9	8	13	0	0	2	0	32
North-Western	6	0	2	1	0	3	0	12
Luapula	5	0	5	1	0	0	0	11
Central	7	2	1	0	0	0	3	13
Eastern	7	0	1	0	0	0	1	9
Western	4	0	3	0	0	0	1	8
Northern	4	0	1	0	0	0	0	5
Muchinga	3	0	0	1	0	1	0	5
Total	88	77	58	8	13	16	15	275
% of Total	32.0	28.0	21.1	2.9	4.7	5.8	5.5	100

Table 5: Student Enrollments by Programme and Gender (2008 - 2013)

PROGRAMMES	2008		2009		2010		2011		2012		2013	
	Male	Female	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	8,087	7,779	8,168	7,857
Secretarial Studies	3	1,428	0	1,499	0	1,574	0	1,621	2	1,783	2	1,785
Hotel and Tourism	1,120	2,542	1,176	2,069	1,234	2,194	1,271	2,282	1,322	2,373	1,335	2,610
Media and Applied Arts	1,010	1,990	1,061	2,089	1,113	2,194	1,146	2,260	1,180	2,328	1,192	2,328
Paramedical	160	180	168	189	176	199	181	205	185	209	187	213
Aviation	95	7	110	10	135	12	139	12	142	12	142	12
Craft Programmes	6,702	900	6,903	950	7,148	992	7,219	1,032	7,363	1,053	7,584	1,075
Advanced Certificate / Technician Programmes	4,000	567	354	55	414	80	426	85	439	88	443	93
Diploma / Technologist Programmes	460	17	483	18	490	20	505	21	520	46	525	47
TOTAL	19,850	13,549	17,185	13,988	18,048	14,255	18,446	14,787	19,240	15,670	19,578	16,021
Percentage	59%	41%	55%	45%	55%	45%	56%	44%	55%	45%		
TOTAL ANNUAL ENROLMENTS	33,399		31,173		32,303		33,234		34,910		35,599	

Distribution of institutions according to region and ownership as at 31st December 2013

**Figure 1:
Distribution of Institutions according to Provinces**

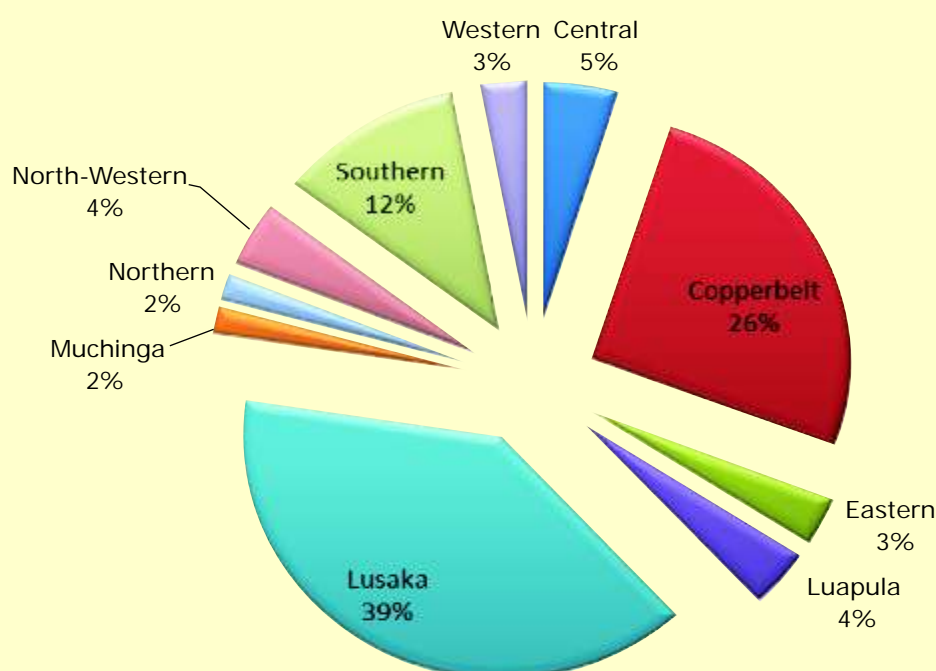


Table 6: Trends in the number of TEVET Institutions by ownership from 2008 to 2013

OWNERSHIP	NUMBER OF REGISTERED INSTITUTIONS					
	2008	2009	2010	2011	2012	2013
Public / Government	58	78	80	87	79	88
Private	107	107	107	96	54	77
Church	59	66	66	65	49	58
Community	8	6	10	9	7	8
Trust	14	14	16	14	11	13
Company	10	14	14	15	13	16
NGO	20	18	15	18	17	15
TOTAL	276	304	308	304	230	275

The number of Government owned TEVET registered institutions had grown from 58 institutions in 2008 to 88 in 2013 representing a growth of 51.7% where as that of private institutions has reduced from 107 in 2008 to 77 in 2013 representing a 28% reduction. The reduction in the number of private institutions was mainly attributable to non-compliance with minimum training standards leading to deregistration whilst some have opted to move away from TEVET service provision.

Table 6 shows the Distribution of Institutions according to Levels of Qualifications. From the Table, it is seen that most of the training being offered under TEVET is in the lower levels of the TEVET Qualifications Framework.

Table 7: Distribution of Institutions according to Levels of qualifications as at 31st December 2013

PROVINCE	Level of Training						Total
	Short Courses	Trade Test	Craft	Advanced Certificate	Diploma (Tech)	Diploma (Mgt)	
Central	2	6	4	0	0	1	13
Copperbelt	9	27	13	6	8	9	72
Eastern	0	6	3	0	0	0	9
Luapula	0	9	2	0	0	0	11
Lusaka	32	24	8	5	10	29	108
Muchinga	0	4	1	0	0	0	5
Northern	0	3	1	0	1	0	5
North-Western	1	7	4		0	0	12
Southern	6	14	7	0	1	4	32
Western	0	6	2	0	0	0	8
TOTAL	50	106	45	11	20	43	275
%	18.2	38.5	16.4	4.0	7.3	15.6	100

7.3.2.2 Accreditation of Examination Bodies, Trainers, Examiners and Assessors

In the overall context of promoting quality, trainers, assessors and examiners that conduct any activity related to technical education, vocational and entrepreneurship training are required to seek accreditation with TEVETA. In this regards a total of 1,170 applications were received for all the 3 categories of accreditation during the year. From the 1,170 applications received, a total of 1,041 applications were accredited with either a Provisional or Full Accreditation Status. Table 7 shows the breakdown of the Accreditations granted during the year 2013:

Table 8: Accreditation Status for the Trainers, Assessors and Examiners

Category	Trainer	Assessor	Examiner	Total
Full Accreditation	471	150	196	817
Provisional Accreditation	203	9	12	224
Total	674	159	208	1041
Not Accredited	129			

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 2013, two additional Examination Boards successfully accredited with TEVETA. As at 31st December 2013 there were fifteen (15) foreign Examination Bodies as shown in table 8 below.

Table 9: List of Accredited Examination Boards in TEVET as at 31st December 2013.

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

7.3.2.4 Training Provider Support Services

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

- i. Promoting quality assurance systems in TEVET provision
- ii. Effective and innovative delivery of entrepreneurship training in TEVET

7.3.2.5 Promotion of quality assurance systems

Technical support services were provided to Registered Training Institutions in the management of the Training function and Training Institutions. This support was available to all registered training institutions in the area of training institutional management, training quality assurance systems development and Training Institution Management Manuals were developed and circulated to all registered training institutions for reference.

7.3.2.6 Entrepreneurship Development

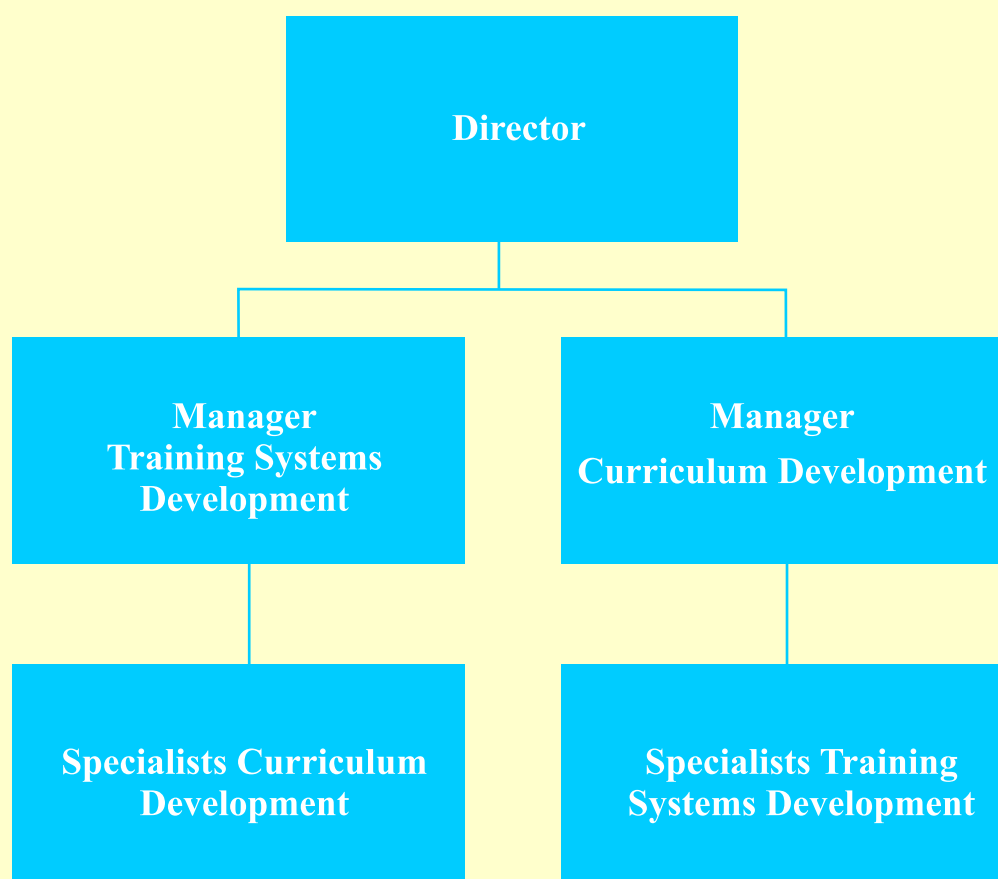
In this regard, support was provided to twenty (20) Entrepreneurship trainers who underwent training to sharpen their training skills in entrepreneurship. The Authority also developed and facilitated official launch of the **“My Job + 1” Business Challenge Competition Programme**. This was an initiative designed to promote the **Entrepreneur/Employer career pathway**. This was to be achieved by providing “hands-on” open learning opportunities for learners to acquire the basic entrepreneurship skills which would enable them create at least two (2) jobs; that is one for him/her-self and an additional one for another youth through start-up of a scalable or growth oriented business enterprise at some stage in one's career. The competition was open to secondary school pupils, students in TEVET institutions, universities, employed and un-employed youths, with innovative growth potential ideas.

TEVETA attended the Global Entrepreneurship Congress that was held in Brazil from 18th to 21st March, 2013, and subsequently identified the Global Entrepreneurship Week (GEW) movement as a useful vehicle for benchmarking and learning networks with regard to international best practice for entrepreneurship education and training as well as related business incubation services targeting graduates.

7.3.3 DEVELOPMENT DIVISION

This section highlights activities carried out by the Development Division for the period 1st January to 31st December 2013, towards the attainment of the Objectives and Outputs contained in the TEVETA 2013 Annual Work Plan and Budget. It points out activities undertaken and related outcomes, towards the realization of set Outputs and Objectives.

7.3.3.1 ORGANISATIONAL STRUCTURE



7.3.3.2 Curriculum Development and Review

A total of **19** curricula out of the planned annual target of **24** were developed or reviewed during the year.. In addition, **17** **curricula** were at job profile development stage. Of the forty (**40**) curriculum documents that went through the full curriculum development cycle during the year, twenty-four (**24**) were approved by the Occupational Standards, Curriculum & Training Systems Sub-Committee (OSCTSSC) of the TEVETA Board, leaving a backlog of seventeen (**17**) programmes at approval stage and **46** at other stages of development by the close of the year. A table 1 provides the Curriculum Development summary, and Table 2 provides a summary of outstanding curricula left at various stages of the cycle.

Table 1: Curriculum Development Performance Summary

Programme	Curriculum Development Activity	Planned/ Annual Target	Actual Annual Achieved	Remarks
1.	Development of job profiles	24	17	? Some targets could not be met due to; <ul style="list-style-type: none"> ○ inadequate funding ○ late release of funds ○ low staffing levels in Curriculum Development Unit relative to demand
2.	Reviewing of existing long term curricula curricular at various certification levels	12	6	
3.	Developing of new curricula at various certification levels	2	4	
4.	Review/develop curricular for trade test programmes	4	5	
5.	Develop 6 Nationally recognized short courses or skills awards	6	4	
6.	Validate for programmes at various certification levels	24	40	
7.	Approve curricular for programmes at various certification levels	24	24	
8.	Evaluate Curricula for approved programmes	5	9	

Table 2: Curriculum development and review outstanding work as at 31st December 2013

S/N	Curriculum Development Stage	No. of Curriculum Documents Pending
1.	Job profiles awaiting Curriculum Chart development	22
2.	Curriculum Charts awaiting syllabus detailing	10
3.	Curriculum Charts and syllabi pending validation	14
4.	Curriculum Charts and syllabi pending approval	17

Fifty four (**54%**) of the curriculum documents approved during the year were for new TEVET programmes, signifying an advent of new/emerging skill areas. The total number of approved TEVET curricula at the close of the year came to two hundred and fifty-seven (257), inclusive of old curriculum documents inherited from the Department of Technical Education and Vocational Training.

7.3.3.3 Training of Curriculum documents developers

A Curriculum Development Orientation Workshop was held in which twenty (20) lecturers were trained in the development of curricula.

7.3.3.4 Reintroduction of Competence-Based Modular Training (CBMT) to support learning pathways

Existing CBMT Guidelines reviewed and CBT Learning Guides for the Skills Award in Occupational Safety, Health and Environment were developed.

7.3.3.5 Training Systems Development

Activities under Training Systems Development were mostly focused on promotional activities for introduction of new learning pathways, to complement the dominant one focused on full time training institution-based-training. As a result of these promotional activities a total number of **3,016** learners were enrolled/recorded on these new learning pathways during the period under review. Table Breakdowns and more information on the activities carried out by the Unit were as indicated in the items below:

Learning Pathway	Total
Workplace Learning	271
Learnership Schemes (NB. Dual Based Training system)	183
Recognition of Prior Learning (RPL)	143
Distance, Open and Flexible Learning	2,602
Total	3,016

7.3.3.6 TEVET for learners with disabilities or special education needs

Workshops were conducted to develop and validate Guidelines on inclusion of learners with disabilities in TEVET. Collection of statistics for the total number of learners with disabilities in TEVET was still in process at the close of the year.

7.3.3.7 Better Education for Africa's Rise (BEAR) Project

The period under review also saw the commencement of the BEAR Project. This was initiated by the recruitment of a National Project Officer by UNESCO. This was followed by a kick-off workshop which was conducted by the Korean Research Institute for Vocational Education and Training (KRIVET). The workshop was on capacity building in curriculum development with a particular focus on developing capacity for TEVET or skills development related Labour Market Monitoring and Analysis system development and maintenance. The National Project Coordinator for the Project and the Director for Development Division attended an Africa Experts' workshop in Korea which was focused on School –Industry Collaboration, and also had the opportunity of benchmarking on Secondary School Vocational Education and Training systems. Two other workshops were held under the BEAR Project to develop the instrument to be used in Labour Market Analysis and to identify viable models for the implementation of secondary school vocational education and training. During the period, visits were also undertaken to David Kaunda Secondary School, Ndola Girls Technical Secondary School, Nkumbi International College and Mazabuka School for Continuing Education for capacity assessment so as to identify institutions to pilot the Cluster Model of Secondary School Vocational Education and Training. This was a model whereby pupils taking Vocational Training in Secondary Schools within a particular area, would go on TEVET institution for instruction pertaining to skills development.

7.4 ASSESSMENTS AND QUALIFICATIONS DIVISION

The 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

7.4.1 Administration and Conduct of TEVET Examinations and Assessments

TEVET examinations were conducted for all the three sessions: April 2013, August 2013 and December 2013 respectively. A total of 9,344 candidates for TEVET Qualifications Framework (TQF) Level 4 to TEVET Qualifications Framework (TQF) Level 6, were examined out of which 4,993 passed their examinations. This indicated a pass rate of **49%**.

In the year 2012, a total 6,736 candidates sat for examinations as compared to 9,344 in the year 2013 giving an annual increase of **39%** whereas the pass rate for 2012 was 63% compared to 49% for 2013. Cases of malpractice in 2012 were 41 whereas in 2013 were 12. The drop in passing rate in 2013 could be attributed to the measures which had been instituted. During the year under review, a total of 7,160 candidates for Trade Test Assessment (TQF Level 3), were examined out of which 6,285 passed their examinations. This indicated a pass rate of 88%.

In the year 2012, a total 5,585 candidates sat for examinations as compared to 7,160 in the year 2013 giving an increase of 28%. Whereas the pass rate for 2012 was 89% compared to 88% for 2013.

7.4.2 Determining equivalences of local and foreign examinations

The year under review, a total of 14 equivalences and 205 exemptions were granted.

8. Outlook for 2014

The growth of the economy of Zambia driven by investments in new mine developments, and public infrastructure developments, under the auspices of the Revised Sixth National Development Plan will continue to drive increase in 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, as well as contribution to job creation through enterprise development arising from exposure to Entrepreneurship training. 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 for sustainable financing of skills development programmes by the TEVET sector in response to the continued growth of the economy would require positive consideration of the TEVET system will have to play its role.

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

CYMA

Chartered Public Accountants & Management Consultants

4th Floor, Electra House, Cairo Road

P O Box 38298, Lusaka

Tel: 0211 231960 Fax: 0211 237693

Lusaka, Zambia

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2013

<u>Contents</u>	Pages
Management Corporate Data	26
Director's Statement	27
Auditors' Report	28
Statement of Financial Position.....	30
Statement of Comprehensive Income	31
Statement of Changes in Capital and Reserves.....	32
Statement of Cash flows.....	33
Notes to the financial statements	34-46
Appendices	47-49

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2013

MANAGEMENT & CORPORATE DATA

Name	Position	Institution
Dr. F M. Ndilila	Chairperson	ZACCI
Dr. E. Moonga	V/Chairperson	NISIR
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hikaumba	Member	ZCTU
Permanent Secretary	Member	Ministry of Education
Ms B. M. S. Muyambango	Member	NIPA
Dr. H. Mwenda	Member	UNZA
Mrs. J. S. Lungu	Member	Catholic Secretariat
Mr. H. Chibanda	Member	ZFE
Permanent Secretary	Member	Ministry of Education, Science Vocational Training & Early Education
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 Division
Mrs. .C. Kanyensha	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 2013

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 Statement of Comprehensive Income is drawn up so as to give a true and fair view of deficit for the year ended 31 December 2013;
- (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 2013;
- (c) At the date of these statements there were reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- (d) The financial statements have been prepared in accordance with the International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998, the TEVET (Amendment) Act No. 11 of 2005 and the Public Finance Act of 2004.

Consequently, the financial statements on Pages 30 to 46 were approved by the Directors at a Board meeting held on...30th September, 2014...and signed on its behalf by:

Signature: 
Board Chairperson

Signature: 
Board Secretary

CYMA

Chartered Accountants & Management Consultants

LUSAKA

4th flr, Electra house
Cairo Road
Lusaka

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Fax: 236779
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LIVINGSTONE

2nd floor, old wing
Musi-O-Tunya House
Livingstone
Email: cyma@zamtel.zm

Postal Address

P O Box 60740
Tel: 323316
Livingstone
Zambia Zambia

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 2013 set out on page 6 to 21. These financial statements comprise the statement of financial position at 31 December 2013, statement of comprehensive income, statement of changes in capital and reserves and statement of cashflow 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 are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998. This responsibility includes: designing, implementation and maintain 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.

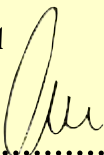
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements, whether due to fraud or error. In making those risk assessment, 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 2013 and of its financial performance and its cashflows 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.

CYMA



.....
Chintu Y. Mulendema
Managing Partner

20/10/2014
.....
Date

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF FINANCIAL POSITION

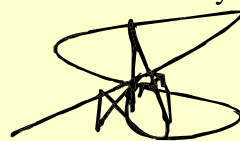
As at 31ST December 2013

	NOTES	2013 ZMK	2012 ZMK
ASSETS			
Non – Current Assets			
Property, plant and equipment	5	<u>4,592,493</u>	<u>1,822,638</u>
Current Assets			
Inventories		720,422	229,541
Receivables	7	2,952,114	2,740,660
Cash and cash equivalents	8	<u>2,363,615</u>	<u>4,339,354</u>
		<u>6,036,151</u>	<u>7,309,555</u>
TOTAL ASSETS		<u>10,628,644</u>	<u>9,132,193</u>
CAPITAL RESERVES AND LIABILITIES			
Capital and Reserves			
Capital fund		4,327,817	5,358,135
Capital grant		-	22,539
Non-current liabilities		<u>4,327,817</u>	<u>5,380,674</u>
Current Liabilities			
Other payables and short term provision	9	<u>6,300,827</u>	<u>3,751,519</u>
TOTAL CAPITAL RESERVES AND LIABILITIES		<u>10,628,644</u>	<u>9,132,193</u>

The responsibility of the Authority's Board of Directors with regard to the preparation of the financial statements is set out on page 27. The financial statements on pages 30 to 46 were approved by the Board of Directors on30th September, 2014..... and were signed on its behalf by:



Board Chairperson



Board Secretary

The notes on pages 34 to 46 form part of the financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31ST December 2013

		2013 ZMK	2012 ZMK
	Notes		
Income	2.3	19,817,892	25,848,051
Expenditure			
Direct Expenses	Appendix II	(8,971,259)	(14,145,976)
Administration Expenses	Appendix III	<u>(11,876,951)</u>	<u>(9,295,356)</u>
Deficit of income Over expenditure	3	<u>(1,030,318)</u>	<u>2,406,719</u>

The notes on pages 34 to 46 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 2013

	Capital fund ZMK	Capital Grant ZMK	Total ZMK
Balance on 1 January 2012	2,951,416	102,722	3,054,138
Amortization of Capital Grant	-	(80,183)	(80,183)
Surplus of income over expenditure 31 December 2012	<u>2,406,719</u>	<u>-</u>	<u>2,406,719</u>
At 31 December 2012	<u>5,358,135</u>	<u>22,539</u>	<u>5,380,674</u>
Balance on 1 January 2013	5,358,135	22,539	5,380,674
Amortization of Capital Grant	-	(22,539)	(22,539)
Deficit of income over expenditure 31 December 2013	<u>(1,030,318)</u>	<u>-</u>	<u>(1,030,318)</u>
At 31 December 2013	<u>4,327,817</u>	<u>-</u>	<u>4,327,817</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 34 to 46 form part of the financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF CASH FLOWS

For the year ended 31ST December 2013

	NOTES	2013 ZMK	2012 ZMK
CASHFLOW FROM OPERATING ACTIVITIES			
Deficit of income over expenditure for the year		(1,030,318)	2,406,719
Adjustment for non cash items			
Interest income	2.3	(1,704)	(2,037)
Depreciation	5	576,710	488,002
Loss on disposal of non current assets		16,430	-
Amortization of capital grant		(22,539)	(80,183)
		(461,421)	2,812,501
Changes in working capital			
Increase in inventories		(490,881)	(50,281)
Increase in receivables		(211,454)	(1,027,926)
Increase in other payables		2,549,308	1,766,599
Net cash inflows/(outflows) from operations		<u>1,385,552</u>	<u>3,500,893</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Interest income	2.3	1,704	2,037
Purchase of property, plant and machinery	5	(3,362,995)	(1,416,620)
Net cash outflows on investing activities		<u>(3,361,291)</u>	<u>(1,414,583)</u>
NET CASH INFLOWS/ (OUTFLOWS)		<u>(1,975,739)</u>	<u>2,086,310</u>
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at the beginning of the year		4,339,354	2,253,044
Increase/(Decrease) during the year		(1,975,739)	2,086,310
Cash and Cash equivalents at end of the year	8	<u>2,363,615</u>	<u>4,339,354</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31ST December 2013

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 2013

Component	ZMK 31 December 2013	ZMK 31 December 2012
Government Grants Revenue	8,335,200	6,900,000
Government Grants-Tevet Fund	1,135,521	9,787,500
Government Grants Examination	2,000,000	1,322,827
Government Grants Construction	1,289,470	-
TEVET Fund Administrative Fee	200,000	550,000
Registration Fees	182,000	1,251,667
Accreditation Fees	966,450	820,100
Examination Fees	5,652,420	4,959,995
Amortization of the Capital Grant	22,539	80,183
Interest	1,704	2,037
Other Income	32,588	173,741
TOTAL	<u>19,817,892</u>	<u>25,848,050</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 2013

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 2013

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:

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.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

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 and Government without charge to the Authority. Capital grants are deferred and credited to the income and expenditure statement in equal installments over the expected useful lives of the related assets.

2.13 Transaction of foreign currencies

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

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 Gratuity Earnings

On 1 February 2000, the National Pensions Scheme 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.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

3. Excess of expenditure over income for the year

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

	ZMK 31 December 2013	ZMK 31 December 2012
Audit fees	41,900	68,046
Gratuities	1,413,740	1,062,225
Leave	467,066	409,161
Depreciation	576,710	488,002
Board fees and expenses	336,421	337,467

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 2013

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 01.01.2012	73,297	1,466,750	438,256	502,646	805,457	417,125	3,703,532
Additions	<u>32,511</u>	<u>389,904</u>	<u>478,007</u>	<u>236,900</u>	<u>236,885</u>	<u>42,414</u>	<u>1,416,620</u>
Balance at 31.12.2012	<u>105,808</u>	<u>1,856,654</u>	<u>916,263</u>	<u>739,546</u>	<u>1,042,342</u>	<u>459,539</u>	<u>5,120,152</u>
Depreciation							
Balance at 01.01.2012	3,885	1,143,038	384,671	298,355	729,422	250,140	2,809,512
Charge for the year	<u>1,499</u>	<u>201,817</u>	<u>82,541</u>	<u>74,029</u>	<u>70,750</u>	<u>57,365</u>	<u>488,002</u>
Balance at 31.12.2012	<u>5,384</u>	<u>1,344,855</u>	<u>467,212</u>	<u>372,384</u>	<u>800,172</u>	<u>307,505</u>	<u>3,297,514</u>
Net Book Value							
Balance at 31.12.2012	<u>100,424</u>	<u>511,799</u>	<u>449,051</u>	<u>367,162</u>	<u>242,170</u>	<u>152,034</u>	<u>1,822,638</u>
Balance at 31.12.2011	<u>69,412</u>	<u>323,712</u>	<u>53,585</u>	<u>204,290</u>	<u>76,035</u>	<u>166,985</u>	<u>894,020</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

Property, Plant and Equipment (Contd)

	Land & Buildings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Equipment	Computer Software	Assets not yet placed in Service	Capital Work in Progress	TOTALS
	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK
Cost									
Balance at 01.01.2013	105,808	1,856,654	916,263	739,546	1,042,342	459,538	-	-	5,120,152
Additions	5,800	-	346,868	25,229	21,979	4,731	1,668,918	1,289,470	3,362,995
Write Offs	-	(141,004)	(127,853)	(79,902)	(460,913)	(138,198)	-	-	(947,870)
Balance at 31.12.2013	<u>111,608</u>	<u>1,715,650</u>	<u>1,135,278</u>	<u>684,873</u>	<u>603,408</u>	<u>326,072</u>	<u>1,668,918</u>	<u>1,289,470</u>	<u>7,535,277</u>
Depreciation									
Balance at 01.01.2013	5,384	1,344,855	467,212	372,384	800,173	307,505	-	-	3,297,513
Charge for the year	1,634	208,109	127,630	105,930	76,162	57,245	-	-	576,710
Write Offs	-	(141,004)	(127,853)	(63,471)	(460,913)	(138,198)	-	-	(931,439)
Balance at 31.12.2013	<u>7,018</u>	<u>1,411,960</u>	<u>466,989</u>	<u>414,843</u>	<u>415,422</u>	<u>226,552</u>	<u>-</u>	<u>-</u>	<u>2,942,784</u>
Net Book Value									
Balance at 31.12.2013	<u>104,590</u>	<u>303,690</u>	<u>668,289</u>	<u>270,030</u>	<u>187,986</u>	<u>99,520</u>	<u>1,668,918</u>	<u>1,289,470</u>	<u>4,592,493</u>
Balance at 31.12.2012	<u>100,423</u>	<u>511,799</u>	<u>449,051</u>	<u>367,162</u>	<u>242,170</u>	<u>152,033</u>	<u>-</u>	<u>-</u>	<u>1,822,638</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

6. Capital commitments

The Authority did not have any capital commitments at 31 December 2013

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 2013	ZMK 31 December 2012
Staff Receivables	116,583	303,623
Prepayments	27,102	75,518
Sundry Debtors	141,815	570,180
Other Receivables	<u>2,666,614</u>	<u>1,791,339</u>
	<u>2,952,114</u>	<u>2,740,660</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

8. Cash and Cash Equivalents

	ZMK 31 December 2013	ZMK 31 December 2012
Citibank – TEVETA/GRZ	686,569	428,772
Stanbic – IDA Kwacha	2,196	2,196
Citibank-Examinations	460,390	100,206
Stanbic – GRZ ZMK	441,547	522,788
Zanaco	620,372	1,820,588
Cash in Hand	5,000	315
Citibank –GRZ Construction	147,541	1,464,489
	<u>2,363,615</u>	<u>4,339,354</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

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 2014.+

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

	ZMK 31 December 2013	ZMK 31 December 2012
Deferred Income	1,510,530	1,500,000
Employees related accruals	1,102,648	822,317
Local suppliers	3,476,212	1,070,813
Sundry payables and accrued expenses	75,580	257,735
Credit balances in debtors	135,857	100,654
	<u>6,300,827</u>	<u>3,751,519</u>

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

	ZMK 31 December 2013	ZMK 31 December 2012
Gratuity	793,388	509,445
Leave Pay	309,260	312,872

10. Deferred Income

	ZMK 31 December 2013	ZMK 31 December 2012
At the Start of The Year	1,500,000	-
Received During The Year	1,300,000	1,500,000
Released to Income	<u>(1,289,470)</u>	<u>-</u>
At the End of the Year	<u>1,510,530</u>	<u>1,500,000</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

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 2014.+

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

	ZMK 31 December 2013	ZMK 31 December 2012
Deferred Income	1,510,530	1,500,000
Employees related accruals	1,102,648	822,317
Local suppliers	3,476,212	1,070,813
Sundry payables and accrued expenses	75,580	257,735
Credit balances in debtors	135,857	100,654
	<u>6,300,827</u>	<u>3,751,519</u>

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

	ZMK 31 December 2013	ZMK 31 December 2012
Gratuity	793,388	509,445
Leave Pay	309,260	312,872

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

10. Deferred Income

	ZMK 31 December 2013	ZMK 31 December 2012
At the Start of The Year	1,500,000	-
Received During The Year	1,300,000	1,500.000
Released to Income	<u>(1,289,470)</u>	<u>-</u>
At the End of the Year	<u>1,510,530</u>	<u>1,500.000</u>

The deferred income arose from funds committed by the Government of the Republic of Zambia (GRZ) where an advance payment is made towards the phased construction of the examination block at TEVETA. Funds are released to income on approved certification as work progresses.

11. Contingent liabilities

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

12. 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:

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the year ended 31ST December 2013

Transactions

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

	ZMK 31 December 2013	ZMK 31 December 2012
Government Funding received	<u>8,335,200</u>	<u>6,900,000</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)

TEVET FUND - INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2013

Appendix I

	2013 K	2012 K
INCOME		
TEVET Fund Support-GRZ	1,135,521	9,787,500
	<u>1,135,521</u>	<u>9,787,500</u>
EXPENDITURE		
Direct Expenses		
Window 3:Investment & Development	731,304	-
Subsidy	150,896	6,771,249
Bursary	128,887	2,001,714
	<u>1,011,087</u>	<u>8,772,962</u>
Administration Expenses		
Bank Charges	5,676	4,195
Management Fees	200,000	550,000
	<u>205,676</u>	<u>554,195</u>
DEFICIT FOR THE PERIOD	<u>(81,242)</u>	<u>460,342</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVET FUND - INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2013

Appendix II

INCOME	31 December 2013	31 December 2012
	K	K
Grant-GRZ	8,335,200	6,900,000
Grant-Examination	2,000,000	1,322,827
Tevet Fund Support - GRZ	1,135,521	9,787,500
Registration Fees	182,000	1,251,667
Accreditation Fees	966,450	820,100
Grant - GRZ Capital	1,289,470	-
TEVET Fund Administrative Fees	200,000	550,000
Curriculum/Syllabus	-	68,428
Examination Fees	5,652,420	4,959,995
Bank Interest	1,704	2,037
Other Income	32,588	105,314
Amortization of Grant	<u>22,539</u>	<u>80,183</u>
Total Income	<u>19,817,892</u>	<u>25,848,051</u>

EXPENDITURE

Direct Expenditure	31 December 2013	31 December 2012
	K	K
Improve Operational Efficiency of TEVETA	108,697	22,475
Revenue, Registration Accreditation Visits	10,023	30,776
Human Resource Development Plan	827,808	765,858
Operationalise TEVET Fund	1,426,528	8,814,743
Sixteen National Curricular Revised & Approved	260,211	320,774
TEVET Institutions Registered	106,892	57,730
Implement TQF to Improve TAQS	11,608	-
At least 300 Inspected TPs adhere to Quality	83,544	119,921
Develop Accreditation Systems	138,175	40,599
Conduct and Administer Exams	4,835,414	2,891,622
Improve Trade testing Systems	547,185	539,454
Training System Development	283,690	249,812
Promote and Implement IEC Strategy	<u>331,484</u>	<u>292,212</u>
TOTAL Direct Expenditure	<u>8,971,259</u>	<u>14,145,976</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVET FUND - INCOME AND EXPENDITURE STATEMENT (Contd)

For the year ended 31ST December 2013

Appendix III

Administrative Expenses	31 December 2013	31 December 2012
	K	K
Adherence to Reporting Requirements	478,769	516,084
Stationery & Consumables	363,529	154,078
Cleaning expenses	31,031	30,718
Office Expenses	43,905	32,168
General Expenses	90,312	85,988
Telephone and Postage	191,096	120,941
Electricity	30,956	28,872
Water	500	195
Internet Services	62,649	70,386
Computer Expenses	29,799	22,203
Security	91,771	81,258
Postage	15,204	22,817
Insurance and Licenses	426,443	316,394
Repairs & Maintenance – Office Equipment	37,425	21,365
Repairs & Maintenance – General	114,402	50,711
Motor vehicles expenses	513,597	435,419
Depreciation	576,710	488,002
Local Travel	3,600	65
Subscriptions	-	17,624
Management Fees-TEVETA		550,000
Bank Charges	43,122	31,431
Overtime-Fin. & Admin	-	1,648
Leave and Gratuity	1,880,806	1,453,761
Settling In Allowance	11,430	34,659
Personal Emoluments	6,611,297	4,728,568
Stock Variance /Count Variance	54,588	-
Other expenses	2,060	-
Loss on disposal on non current assets	16,430	=
Legal Fees	14,149	=
Staff Uniforms	7,857	=
Casual Wages	16,275	=
Evaluation of bids	28,650	=
Bad debts	80,346	=
Advertising	8,242	=
	<u>11,876,951</u>	<u>9,295,356</u>
TOTAL	<u>20,848,210</u>	<u>23,438,332</u>
DEFICIT FOR THE PERIOD	<u>(1,030,318)</u>	<u>2,406,719</u>

Photo focus of TEVET Skills Development



Photo focus of TEVET Skills Development



Photo focus of TEVET Skills Development



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.



www.teveta.org.zm