



TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY

ANNUAL REPORT 2014

SKILLS FOR YOUTH EMPOWERMENT



CONTENTS

1. Vision, Mission Statement and Values.....	4
2. Registered Office.....	5
3. Board Members.....	6
4. Committees of the Board.....	7
5. TEVETA Senior Management.....	8
6. Chairperson's Report.....	9
7. Operational Review by the Director General.....	11
8. Outlook for 2015.....	26
9. Financial Statements.....	27



1. VISION, MISSION AND VALUES

VISION

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

MISSION

In support of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Policy of the Government of the Republic of Zambia centered on youth empowerment or National Development, the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) will, through regulation, coordination, monitoring and stakeholder consultation:

- **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 among 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.			Excellence		
			Team work and Stakeholder collaboration		
			Integrity		
			Professionalism		
			Innovation		

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

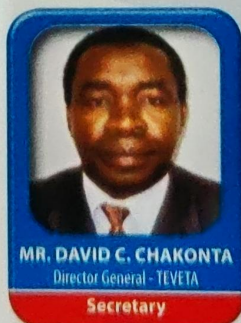
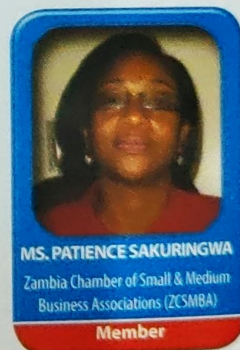
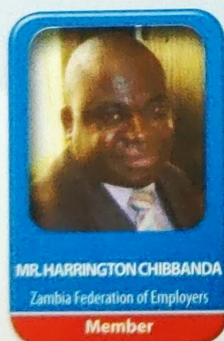
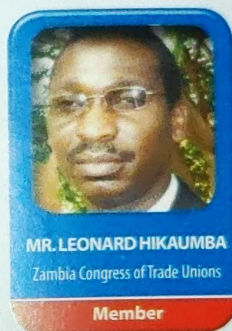
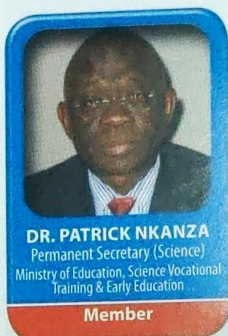
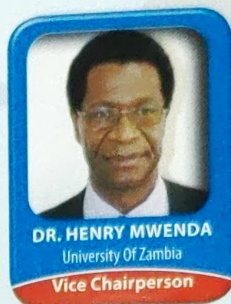
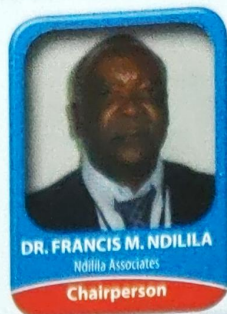
3. Zambia National Commercial Bank Limited

Civic Centre Branch
Independence Avenue
Lusaka
Zambia

Auditors

CYMA Chartered Public Accountants and Consultants

3. BOARD MEMBERS



4. COMMITTEES OF THE BOARD

Finance and Administration Committee

Dr. Henry Mwenda Chairperson	-	National Institute for Scientific and Industrial Research
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
Mrs. J. Muwo Mwansa	-	Choice Corporate
Mrs. A. Kalulu Chimota	-	Bankers Association of Zambia
Mrs. M. M. Nsemani Secretary	-	Director Finance and Administration – TEVETA

Technical Committee

Nrs. B. Muyambango Chairperson	-	National Institute of Public Administration
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. H. M. Mungu	-	University of Zambia
Mr. C. Mazur	-	Zambia Association of Chambers of Commerce and Industry
Mr. O. A. H. Mungu Secretary (1)	-	Director Training Standards Division - TEVETA
Mr. C. Takala Secretary (2)	-	Director Training Standards –TEVETA
Mrs. C. M. Kanyensha Secretary (3)	-	Director Development Division –TEVETA

Audit Committee

Mr. H. Chibanda Chairperson	-	Zambia Federation of Employers.
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 Secretary	-	Manager Internal Audit –TEVETA

5. TEVETA SENIOR MANAGEMENT



Mr. David C. Chakonta

Director General



Mr. Cleophas Takaiza

Director

Training Standards Division



Mrs. Matilda M. Nsemani

Director

**Finance and Administration
Division**



Mr. Orphan Hachilehe

Director

**Assessments & Qualifications
Division**



Mrs. Catherine M. Kanyensha

Director

Development Division

6. STATEMENT FROM THE CHAIRMAN

On behalf of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), I have the pleasure to present the Annual Report and Audited Financial Statements for the year 2014.

The year marked the start of implementing the Authority's 2014 to 2016 Strategic Plan. Our Vision for Zambia in the Strategic Plan, is to ensure "A World Class TEVET system that drives youth empowerment for national development." The overall developmental objective was: "to promote access to TEVET and facilitate significant growth in annual enrolments and graduation rates by December 2016, while ensuring World class quality, equity and system efficiency and effectiveness". The Authority made great strides in securing international partnerships for sources of international skills standards. On the technical side of skills, the Authority helped secure Zambia's membership to World Skills International (WSI). This was achieved through a collaboration with sister statutory bodies under the Ministry of Transport, Works, Supply and Communication; namely: Engineering Institution of Zambia (EIZ), National Council for Construction (NCC), Zambia Information and Communication Technology Agency (ZICTA) and the Road Development Agency (RDA). It was envisaged that membership of WSI would provide access to both information and technical expertise for in-service training of instructional staff in the TEVET system, as well as skills focused career promotion. Affiliation to the Global Entrepreneurship Week provided a platform for benchmarking world class standards pertaining to entrepreneurship and innovation education and training best practices. One outcome of this association was the introduction of a new assessment and certification standard for entrepreneurship trainer accreditation. The standard would among others require trainers to provide evidence of starting a micro enterprise or playing a lead role in the expansion of an existing one. The global trend for entrepreneurship education and training was centered on the use immersive or "learning-by-doing" methods.



The year under review saw continued growth in the number of people accessing TEVET as measured by number of candidates accessing examination and certification services. There was a 53% rise compared to 2012 when promotion activities and new learning pathways started. The TEVET Fund continued to play its role of being economic incentive based regulated tool for achieving particular Government policy goals and objectives. With regard to the Tourism sector for example, the Game Guiding training of local youths in Mfuwe saw the Zambia Wildlife Authority (ZAWA) introducing a new standard for Game Guiding professional practice and with the South Luangwa National Park tour operators reinforced by introducing on the job attachment schemes. Initiatives also commenced to develop national curricula for Safari Tour Guides which would ultimately enable Recognition of Prior Learning (RPL) assessments for employed Game guides who had already trained through on-the-job training.

A number of capacity development initiatives for the Authority and the TEVET system at large were also commenced during the year. Significant among these was the commencement of the TEVET Examinations Annex construction project funded by Government. Substructures were completed during year and structural steel erections commenced. TEVETA staff and selected experts from training institutions and industry, were trained in design and conduct of skills development oriented labour market surveys by the Korea Research Institute for Vocational Education and Training (KRIVET). The sectors of focus were construction and tourism. In addition, another group of TEVETA staff and industry experts commenced training in the design and production of visual based practical skill learning manuals. The primary target groups were out-of-school youths involved in on-the-job training systems, and secondary school TEVET pupils. These capacity development initiatives were carried out under the auspices of the Better Education for Africa's Rise (BEAR) project supported through a partnership involving the United Nations Education, Scientific and Cultural Organisation (UNESCO) and the Government of South Korea. Promotion of new learning pathways continued with learner growth numbers exceeding seven thousand (7,000) for the year. The TEVET Learnership training system, which is essentially a Dual based training system, was boosted when the Hostels Board signed a number Agreements with local TEVET institutions, through their facilities spread

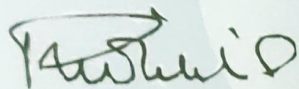
throughout the country. Demand for Open, and Distance Learning grew and triggered initiatives for learning quality assurance approaches and instruments. The total number of TEVETA curricula increased by just 5% from two hundred and fifty seven (257) in 2013 to two hundred and seventy (270) by the close of 2014. Resource constraints however, made it impossible to review curricula within the Board's policy of four (4) and five (5) cycles, following abolition of the Learner Data Unit, set the foundation for improving and expanding the Management Information System (MIS) of the Authority in response to growing quantitative and qualitative demand for its services.

In terms of training institutions, as at December 2014, there were two hundred and eighty eight (288) registered training institutions. The number of Government owned TEVET registered institutions had grown from 58 institutions in 2008 to 90 representing a growth of 55% over this period; whereas private owned institutions had reduced from 107 in 2008 to 85 in 2014 representing a 21% reduction. The reduction in the number of private institutions was mainly attributable to non-compliance with minimum training standards leading to deregistration whilst some had opted to move away from TEVET service provision to other sectors where they had seen better investment opportunities.

The year 2014 however did not witness any major changes in the Governance and Management structures of the Authority.

Matching resources with growing demand for TEVETA's services proved the main challenge for the year.

As we look forward to 2015, the guiding policy question for the Authority's activities and those of other sector players at large 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 and its registered training institutions.



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 the content 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

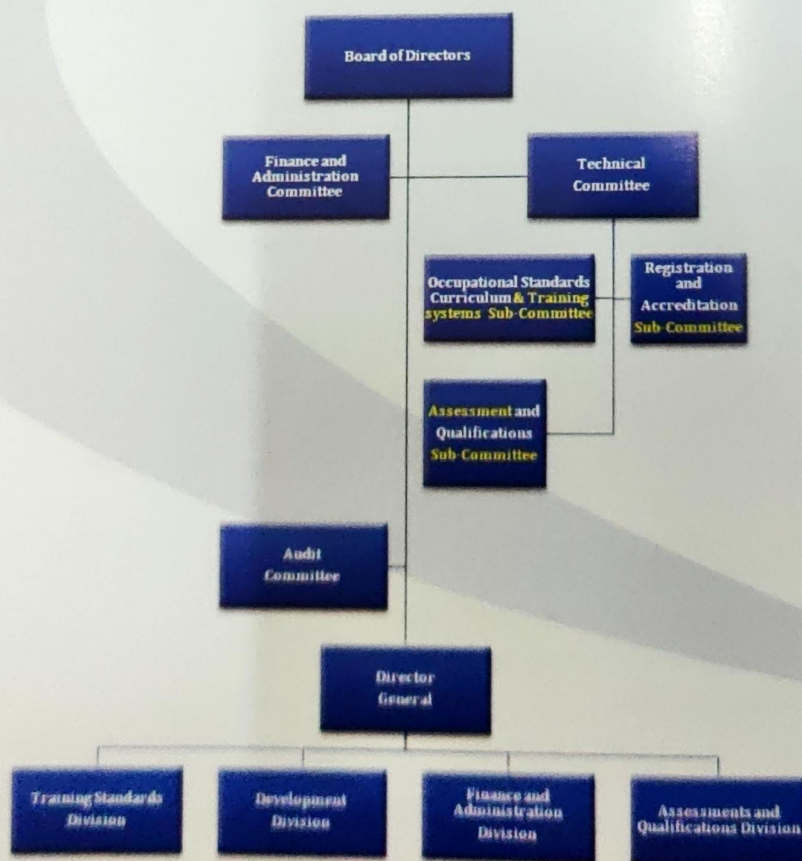
TEVETA is governed by a Board of Directors appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

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

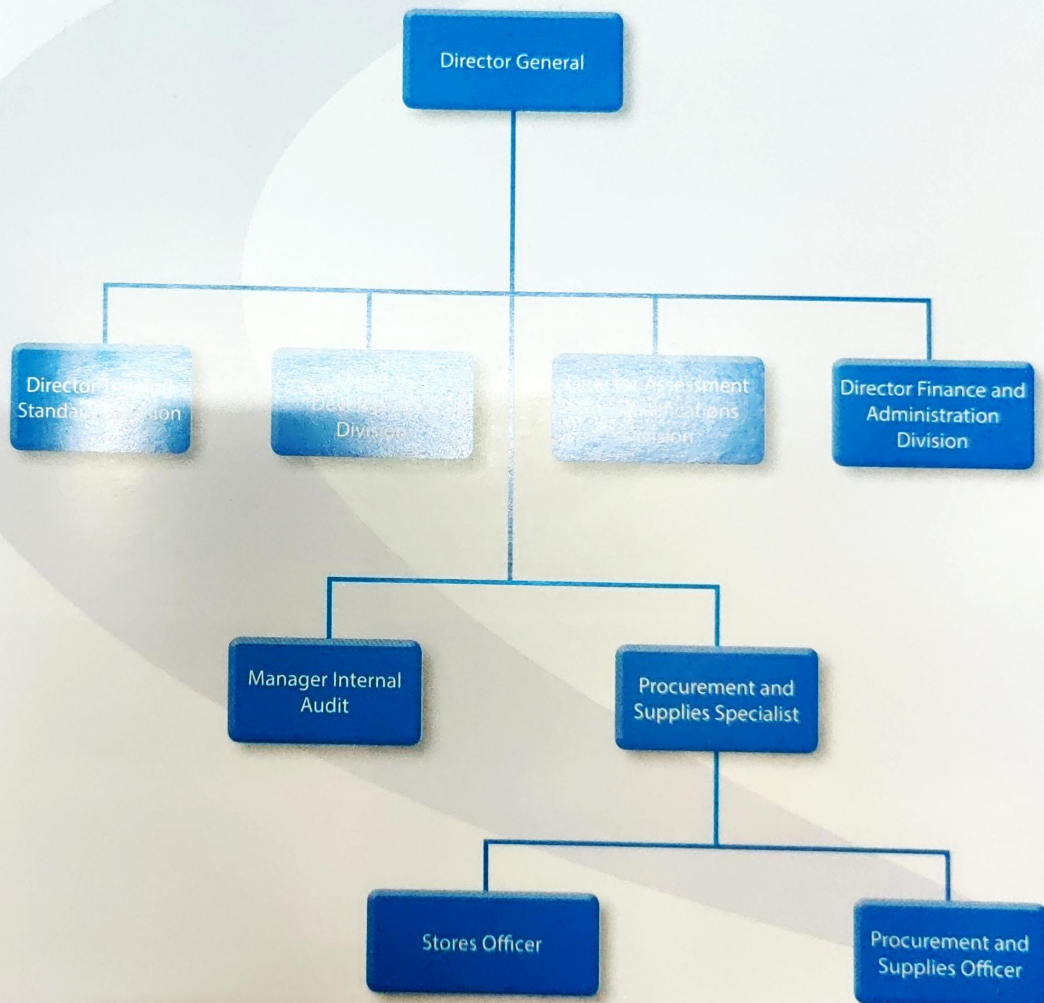


7.3 The Role of TEVETA

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.

This report therefore 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 2014.

7.3.1 Organizational and Management Structure



7.3.1 FINANCE AND ADMINISTRATION DIVISION



7.3.1.1 Finance Unit

The Unit provides Corporate Financial Services for the Authority in line with the TEVET Act and Annual work plan and Budget as approved by the Board. The Unit provided regular financial reports and facilitated audit of the 2013 financial year.

Figure 2:
Divisional Structure



7.3.1.2 TEVET Fund

Administration of a national Training Fund is one of the functions of TEVET.

During the year, sensitization visits were conducted in all the Provinces. These were aimed at sensitizing institutions and disseminating information about accessing. The target groups were registered public training institutions. The Fund then invited proposals which were elevated, and successful applicants were financed as per table below, with a learner target of 1,565.

Table 1: TEVET Fund Disbursements in 2014

NO.	NAME OF INSTITUTION	TRAINING PROGRAM UNDERTAKEN	NO. OF TRAINEES	CONTRACT AMOUNT	DISBURSED AMOUNT
1	KASIYA BUSINESS & SEC.COL	Fabric Colouring	50	50,000.00	37,500.00
2	KASIYA BUSINESS & SEC.COL	Design, Cutting and Tailoring	50	70,000.00	52,500.00
3	MANSA TRADES	Electrical Installations,	40	62,400.00	46,800.00
4	NATIONAL VOC.REHAB.C.	Electronics	50	48,000.00	36,000.00
5	NATIONAL VOC.REHAB.C.	Machining	60	60,000.00	45,000.00
6	NKUMBI INTERNATIONAL COLLEGE	Roofing and Furniture Construction	20	23,730.00	19,730.00
7	NKUMBI INTERNATIONAL COLLEGE	Broiler keeping	20	19,192.00	16,192.00
8	NYAMALUMA TRAINING INSTITUTE	Safari Tour guiding	50	100,000.00	80,000.00
9	ZGANGANI KACHINGA YOUTH RESOURCE CENTRE	Carpentry and Joinery	50	39,180.00	34,180.00
10	ZGANGANI KACHINGA YOUTH RESOURCE CENTRE	Design, Cutting and Tailoring	60	35,160.00	30,180.00
11	CHIPATA SKILLS TRAINING CENTRE	Electrical	40	23,150.00	19,150.00
12	CHIPATA SKILLS TRAINING CENTRE	Food Production	50	79,100.00	67,100.00
13	KABWE SKILLS TRAINING CENTRE	Design, Cutting and Tailoring	30	35,000.00	30,000.00
14	MAZABUKA SKILLS TRAINING CENTRE	Design, Cutting and Tailoring	25	24,880.00	20,440.00
15	KAOMA YOUTH RESOURCE CENTRE	GENERAL AGRICULTURE	50	50,000.00	40,000.00
16	KAOMA YOUTH RESOURCE CENTRE	Design, Cutting and Tailoring	20	20,000.00	16,000.00
17	UKWIMI TRADES TRAINING INSTITUTE	Carpentry and Joinery	25	23,267.00	18,767.00
18	UKWIMI TRADES TRAINING INSTITUTE	Poultry Production	50	30,000.00	25,000.00
19	LUKASHYA TRADES TRAINING INSTITUTE	Poultry Production	30	28,000.00	23,000.00
20	LUKASHYA TRADES TRAINING INSTITUTE	Driving Class B license	60	48,000.00	36,000.00
21	KITWE VOCATIONAL TRAINING CENTRE	Oxy-Acetylene gas welding	25	34,000.00	27,000.00
22	KITWE VOCATIONAL TRAINING CENTRE	Steel Fabrication	30	30,000.00	24,000.00
23	BUCHI VOCATIONAL TRAINING CENTRE	Design, Cutting and Tailoring	30	20,000.00	-
24	BUCHI VOCATIONAL TRAINING CENTRE	Basic welding	30	30,000.00	-
25	KAWAMBWA SKILLS TRAINING CENTRE	Electrical	60	90,000.00	78,000.00
26	MUFULIRA SKILLS TRAINING CENTRE	Basic welding	40	48,000.00	40,000.00
27	MUFULIRA SKILLS TRAINING CENTRE	Food Production	50	48,000.00	40,000.00
28	LUANSHYA TECHNICAL AND BUSINESS COLLEGE	Electrical Installations,	60	60,000.00	49,000.00

29	LUANSHYA TECHNICAL AND BUSINESS COLLEGE	Design, Cutting and Tailoring	60	36,000.00	28,000.00
30	SAMFYA YOUTH RESOURCE CENTRE	Driving Class B license	90	72,000.00	54,000.00
31	ZIBSIP	Food Production	50	50,000.00	42,000.00
32	SOLWEZI SKILLS TRAINING CENTRE	Food Production	50	40,000.00	34,000.00
33	MWINILUNGA TRADES TRAINING INSTITUTE	Carpentry and Joinery	80	48,000.00	40,000.00
34	MWINILUNGA TRADES TRAINING INSTITUTE	Bricklaying and Plastering	80	48,000.00	40,000.00
TOTAL			1,565	1,523,059.00	1,189,539.00

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.



TEVETA Director General Mr. David Chakonta explaining the core functions and value of TEVETA in the dispensation of TEVET in Zambia

7.3.1.3 Information, Education and Communications (IEC) Unit

The year under review, the Information Education and Communications unit was hinged on the strategic objective of dissemination of regulatory information, TEVET sector brand promotion, periodic interactions and communication among TEVET stakeholders facilitated through efficient and effective IEC programmes.

The unit overall actively took part in a number of awareness raising activities that helped to enhance the visibility of TEVETA with its programmes and services offered to the general public. The Unit facilitated the participation of TEVETA on two (2) ZNBC Television programmes on the "Education sector in Zambia" as well as "The Youth Splash" TV programme discussing Entrepreneurship Development. TEVETA Director General was also hosted on one ZNBC TV programme discussing entrepreneurship.

Through the IEC Unit, TEVETA participated in four (4) radio programmes on ZNBC and Radio Christian Voice. The Unit also managed to produce the television documentary titled '50 years of TEVET in Zambia'. The documentary was aired on the national broadcaster ZNBC.

The Unit continuously produced promotional material for both internal; and external consumption. These are four quarterly newsletters; Diaries; wall and desk Calendars; Secondary School Vocational Education and Training booklet. However the distribution of these materials to all the 10 provinces of the country was done through the use different means such as other TEVETA activities like Examinations and Assessment activity; Inspections of institutions and other activities where the institutions would be invited to participate.

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 Authority suffered high staff turnover during the year under review. Five (5) members of staff resigned during the year while three (3) members of staff from the Finance unit were suspended for disciplinary related charges. One (1) member of staff has since sued the Authority claiming for wrongful dismissal and the case is still in court. The Authority seconded one staff member to the Ministry of Education, Science, and Technology. On the other hand six (6) members of staff joined the Authority in various divisions.

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 2014

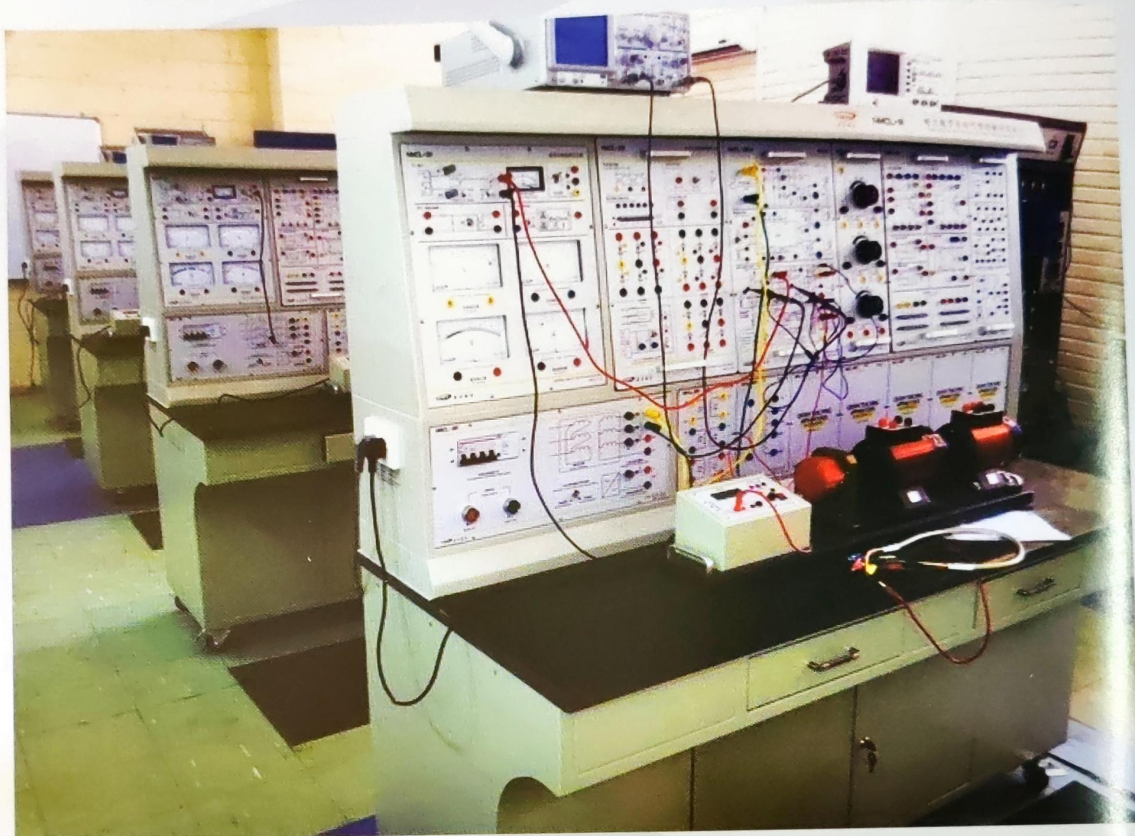
Category	At 31 st Dec '13	Recruited	Promoted	Separated	At 31 st Dec '14	Establishment Approved
DG and Directors	5	0	0	0	5	5
Managers	8	1	0	-1	8	9
Specialists	22	4	0	-3	23	22
Officers	6	1	0	-1	6	7
Support	7	0	0	0	7	8
Net Totals	48	2	0	-1	49	51

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



Electrical Electronic Lab equipment (Luanshya Technical and Business College)

7.3.2.1 Inspection and Registration of Training Institutions

During the year under review, 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 2014, a total of twenty seven(27) new training institutions were inspected and registered to offer training with TEVETA while seven hundred and sixty two(762) assessors and examiners were accredited . On the other hand, a total of eighty eight (88) of the registered Training Institutions were inspected. As at December 2014, there were two hundred and eighty eight (288) 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 2014

PROVINCE	GRADE			TOTAL	%
	1	2	3		
Central	1	7	6	14	5%
Copperbelt	11	26	39	76	26%
Eastern	0	4	8	12	4%
Luapula	0	6	5	11	4%
Lusaka	23	41	46	110	38%
Muchinga	0	2	3	5	2%
Northern	0	2	3	5	2%
North-Western	1	6	5	12	4%
Southern	9	8	18	35	12%
Western	0	6	2	8	3%
Total	45	108	135	288	100%
%	16%	38%	47%		

Name of Province	Type of Ownership							Total
	Public / Government	Private	Church	Community	Trust	Company	NGO	
Lusaka	22	51	16	3	11	2	5	110
Copperbelt	22	20	17	2	2	9	4	76
Southern	9	11	13	0	0	2	0	35
North-Western	6	0	2	1	0	3	0	12
Luapula	5	0	5	1	0	0	0	11
Central	8	2	1	0	0	0	3	14
Eastern	7	3	1	0	0	0	1	12
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	90	87	59	8	13	17	14	288
% of Total								

Table 4: Distribution of institutions according to region and ownership as at 31st December 2014

Distribution of Training Institutions

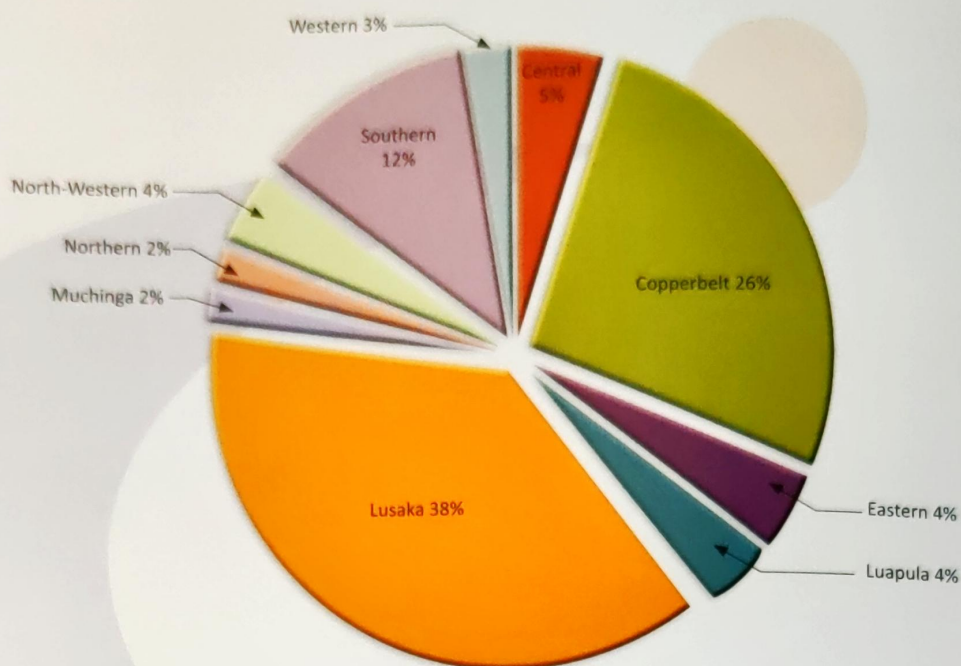


Table 5: Trends in the number of TEVET Institutions by ownership from 2008 to 2014

OWNERSHIP	NUMBER OF REGISTERED INSTITUTIONS						
	2008	2009	2010	2011	2012	2013	2014
Public / Government	58	78	80	87	79	88	90
Private	107	107	107	96	54	77	85
Church	59	66	66	65	49	58	59
Community	8	6	10	9	7	8	8
Trust	14	14	16	14	11	13	13
Company	10	14	14	15	13	16	18
NGO	20	18	15	18	17	15	15
TOTAL	276	304	308	304	230	275	288

The number of Government owned TEVET registered institutions had grown from 58 institutions in 2008 to 90 in 2014 representing a growth of 55% where as that of private institutions has reduced from 107 in 2008 to 85 in 2014 representing a 21% 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 6: Distribution of Institutions according to levels of qualifications as at 31st December 2014

PROVINCE	Type of Ownership						Total
	Short Courses	Trade Test	Craft	Advanced Certificate	Diploma (Tech)	Diploma (Mgt)	
Central	2	7	4	0	0	1	14
Copperbelt	12	29	12	6	8	9	76
Eastern	1	6	4	0	0	1	12
Luapula	0	9	2	0	0	0	11
Lusaka	33	26	8	5	11	27	110
Muchinga	0	4	1	0	0	0	5
Northern	0	3	1	0	1	0	5
North-Western	1	7	4	0	0	0	12
Southern	8	14	8	0	1	4	35
Western	0	6	2	0	0	0	8
Total	57	111	46	11	21	42	288
% of Total	20%	39%	16%	4%	7%	15%	

7.3.2.2 Accreditation of Examination Bodies, Trainers, Examiners and Assessors

The Accreditation of Trainers, Assessors and Examiners was conducted. The Accreditation was conducted in each quarter of the year under review.

A total of 719 applications were received for all the 3 categories for accreditation for the year 2014. From the 719 applications received, a total of 659 applications were accredited with either a Provisional or Full Accreditation Status. This gives an accreditation rate of 92% of the applicants being accredited. This is higher by 10% from 2013 where the accreditation success rate was 82%.

A total of 60 applicants were not accredited as they did not meet the minimum requirements for accreditation. This gives an unsuccessful rate of 8%.

In comparison to 2013, a total of 1170 applications were received for all the 3 categories for accreditation for the year 2014. From the 1170 applications received, a total of 1041 applications were accredited with either a Provisional or Full Accreditation Status. This gives an accreditation rate of 82% of the applicants being accredited.

A total of 172 applicants were not accredited as they did not meet the minimum requirements for accreditation. This gives an unsuccessful rate of 18%.

Table below show the breakdown of the Accreditation for and the year 2014 as follows:

Table 7: Accreditation Status for the Trainers, Assessors and Examiners 2014

Category	Trainer	Assessor	Examiner	Total
Full Accreditation	277	101	169	547
Provisional Accreditation	112	00	00	112
Total	389	101	169	659
Not Accredited	60			

7.3.3 DEVELOPMENT DIVISION



This section highlights activities carried out by the Development Division for the period 1st January to 31st December 2014, towards the attainment of the Objectives and Outputs contained in the TEVETA 2014 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 Divisional Structure



The strategic objectives guiding the operations of the Division, according to the 2014 - 2016 Strategic Plan and the 2014 Annual Work Plan and Budget were as follows:

- To develop and promote innovative Training Systems in order to increase access to TEVET through a variety of learning pathways;
- To develop and continuously review TEVET curricular and related qualification descriptors to ensure relevance and responsiveness to National Development.
- To develop and implement a TEVET Research, Innovation and Knowledge management system that will foster continuous improvement of the TEVET system.
- To promote and/or facilitate integration and mainstreaming of the cross cutting issues in TEVET such as: HIV/AIDS, Gender, Disability, sustainable Environment, Climate Change, and civic competences;

4.1 Performance Summary

During the year under review, the Division did its best to achieve its set targets. For Training Systems efforts for the Division were mostly focused on carrying out promotional activities for and monitoring of the various learning pathways as well as some research activities. During these activities, the Division also collected learner statistics as a way of verifying exactly how many learners were on the various learning pathways. This activity was still ongoing by the close of the year and learner statistics obtained for the various learning pathways at the time were as follows.

Learning Pathway	Total
Workplace Learning	2,919
Learnership Schemes (Dual)	434
Recognition of Prior Learning (RPL)	234
Distance, Open and Flexible Learning	3,361
Secondary School VET	3,375
Total	10,323

Most of work that was done under Training Systems was as a result of the Division being able to ride on activities of other Divisions and this assisted in accomplishing some of the planned activities.

For Curriculum Development, 32 curricula were approved during the year under review, and this was the largest number of curricula to be approved in more than five years. The curriculum development and review performance Summary is shown in the table below:

Prog	Curriculum Development Activity		Actual Annual Achieved
20.25	At least 90% of TEVET Curricula Evaluated and Revised as they fall due		
1.	Review of job profiles	24	20
2.	Review curricular of long programmes at various certification levels	16	20
3.	Review curricular for trade test programmes	8	9
4.	Validate reviewed curricula for programmes at various certification levels	24	7
5.	Approve reviewed curricula for programmes at various certification levels	24	19
6.	Evaluate approved curricula	5	6
20.26	New curricular developed within six (6) months of labour market need identification		
	Develop new job profiles	8	26
	Develop new curricula for courses at various certification levels	4	7
	Develop nationally recognised short courses/ skills awards	4	13
	Validate curricula for developed programmes at various certification levels	8	7
	Approve curricula for developed programmes at various certification levels	8	13
	Develop CBMT curricular and learning materials	5	6

Curriculum development and review outstanding work as at 31st December 2014

S/N	Curriculum Development Stage	No. of Curriculum Documents Pending
	Job profiles awaiting Curriculum Chart development	12
	Curriculum Charts awaiting syllabus detailing	06
	Curriculum Charts and syllabi pending validation	47
	Curriculum Charts and syllabi pending approval	08
	Total	73

- i. There was a big increase in the number of reviewed curriculum due to a new initiative implemented by the Division whereby work was outsourced to training providers who worked under the guidance and supervision of TEVETA Staff. This meant that a number of groups would be working at any given time within their workplace while being supervised by TEVETA. This was also found to be less costly than the usual method.
- ii. The total number of approved TEVET curricula at the close of the year came to two hundred and seventy (270), inclusive of documents inherited from the Department of Technical Education and Vocational Training.

OTHER PROGRAMMES

Better Education for Africa's Rise (BEAR) Project

During this period, BEAR Project had the three (3) workshops conducted by the Korean Research Institute for Vocational Education and Training (KRIVET) at TEVETA. The workshops were focused mainly on the Labour Market Analysis and development of learning manuals. The draft Labour Market Survey report was also presented during one of the workshops. The final report was to be sent later. Other activities undertaken were:

- Monitoring of the progress on the construction of a workshop to support implementation of the two-tier system at Mazabuka School for Continuing Education;
- Working on guidelines and procedures for labour market analysis system received from KRIVET in Korea which were domesticated in conjunction with stakeholders such as Ministry of Labour and Central Statistics;
- Coordinating the activities of internal Research and Innovations teams that are looking at best practices in TEVET;
- Participating in the mid-term review of the project which was undertaken by a team from UNESCO head office in Paris

The Division performed very well during the year under review, exceeding most of set targets, and accomplishing 91% activity completion rate. Concentration of effort was put on developing skills curricula for the 2-tier system. The Division could have done better if progress was not hampered by gross staffing and funding challenges. The whole Division only had six members of staff including the Divisional Director. Although interns assisted to carry out some activities in Lusaka, it would have been more helpful if they were allowed to travel outside Lusaka for work activities. Division will endeavour to ensure work even harder in 2015.



7.4 ASSESSMENTS AND QUALIFICATIONS DIVISION



Assessments and Qualifications Division is responsible for:

- i. Regulating and conducting national examinations and assessments
- ii. Regulating and coordinating apprenticeship and trade testing
- iii. Determining equivalences of local and foreign examinations
- iv. Awarding certificates

During the year under review, TEVET examinations were conducted for all the three sessions: April 2014, August 2014 and December 2014 respectively. The year also saw a reduction in the number of malpractice cases, which was as a result of the measures the Division, put in place. However the division noticed a number of problems relating to Institutions failing to meet the deadlines for submitting their Continuous Assessment Results there by delaying the processing of results.

7.4.1 Administration and Conduct of TEVET Examinations and Assessments

During the year under review, the Division successfully conducted TEVET examinations and assessments for all the three sessions: these are the April 2014, August 2014 and December 2014 examinations respectively.

The division managed to process results for all the three examinations and assessment sessions depicting a picture as follows: A total of 9, 040 candidates in regular programmes sat for examinations in the year 2014 out of which 4, 517 passed in all subjects indicating 48.8% pass rate. A total of 9, 514 candidates were Trade Tested and out of which 8, 402 passed indication 90% pass rate. In terms of re-sits, a total of 6, 826 candidates were recorded and out of which 4, 868 passed indication a pass rate 71.31%. The Division also managed to receive all Certificates for March/April 2014 and July/August 2014 examinations.

7.4.3 Determining equivalences of local and foreign examinations

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

8. Outlook for 2015

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.



Financial Statements

For the year ended 31st December 2014

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 2014

Contents	Pages
Corporate Data	2
Statement of Responsibilities	3
Auditors' Report	4-5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Capital Reserves	8
Statement of Cashflows	9
Notes to the Financial Statements	10 -21
Tevet Fund - Income and Expenditure (Appendix I)	22
TEVETA - Income and Expenditure (appendix II)	23-24

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2014

MANAGEMENT & CORPORATE DATA

Board of Directors

Name	Position	Institution
Dr. F M. Ndilila	Chairperson	ZACCI
Dr. H. Mwenda	V/Chairperson	UNZA
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hikaumba	Member	ZCTU
Permanent Secretary	Member	Ministry of Education
Ms B. M. S. Muyambango	Member	NIPA
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 2014

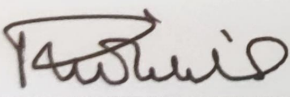
DIRECTORS' STATEMENT

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.

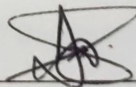
In the opinion of the directors:-

- (a) The Statement of Comprehensive Income is drawn up so as to give a true and fair view of the deficit for the year ended 31 December 2014;
- (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 2014;
- (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 6 to 21 were approved by the Directors at a Board meeting held on...17th June 2015...and signed on its behalf by:

Signature: 

Board Chairperson

Signature: 

Board Secretary

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Cairo Road
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Tel: 231960
Fax: 236779
Email: cyma@zamtel.zm

LIVINGSTONE
2nd floor, old wing
Musi-O-Tunya House
Livingstone
Zambia

Postal Address
P O Box 60740
Tel: 323316
Livingstone
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 2014 set out on page 6 to 21. These financial statements comprise the statement of financial position at 31 December 2014, statement of comprehensive income, statement of changes in capital and reserves and statement of cashflows 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, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial Statements give a true and fair view of the financial position of the Authority as at 31st December 2014 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

01/07/15
.....

Date

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31ST December 2014

		2014 ZMK	2013 ZMK
	Notes		Restated
Income	2.3	19,723,783	18,528,422
Expenditure			
Direct Expenses	Appendix II	(8,201,432)	(8,971,259)
Administration Expenses	Appendix III	<u>(11,553,570)</u>	<u>(11,876,951)</u>
Deficit of income Over expenditure		<u>(31,219)</u>	<u>(2,319)</u>

The notes on pages 10 to 21 form part of the financial statements

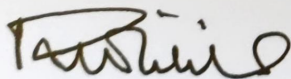
**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)**

STATEMENT OF FINANCIAL POSITION

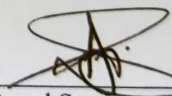
As at 31ST December 2014

	NOTES	2014 ZMK	2013 ZMK Restated
ASSETS			
Non – Current Assets			
Property, plant and equipment	5	<u>15,716,319</u>	<u>4,592,493</u>
Current Assets			
Inventories		387,302	720,422
Receivables	7	2,120,328	2,952,114
Cash and cash equivalents	8	<u>1,225,660</u>	<u>2,363,615</u>
		<u>3,733,290</u>	<u>6,036,151</u>
TOTAL ASSETS		<u>19,449,609</u>	<u>10,628,644</u>
CAPITAL RESERVES AND LIABILITIES			
Capital and Reserves			
Reserves		3,007,128	3,038,347
Capital grant	10	<u>13,063,265</u>	<u>2,800,000</u>
Non-current liabilities		<u>16,070,393</u>	<u>5,838,347</u>
Current Liabilities			
Other payables and short term provision	9	<u>3,379,216</u>	<u>4,790,297</u>
TOTAL CAPITAL RESERVES AND LIABILITIES		<u>19,449,609</u>	<u>10,628,644</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 21 were approved by the Board of Directors on 17th June 2015..... and were signed on its behalf by:



Board Chairperson



Board Secretary

The notes on pages 10 to 21 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 2014

	Reserves ZMK	Total ZMK Restated
Balance on 1 January 2013	5,358,135	5,358,135
Deficit of Income over Expenditure	(2,319,788)	(2,319,788)
At 31 December 2013	3,038,347	3,038,347
Balance on 1 January 2014	3,038,347	3,038,347
Deficit of Income over expenditure	(31,219)	(31,219)
At 31 December 2014	3,007,128	3,007,128

The notes on pages 10 to 21 form part of the financial statements.

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

STATEMENT OF CASH FLOWS

For the year ended 31ST December 2014

	NOTES	2014 ZMK	2013 ZMK
CASHFLOW FROM OPERATING ACTIVITIES		(31,219)	(2,319,788)
Deficit of income over expenditure for the year			
Adjustment for non-cash items		(359)	(1,704)
Interest income	2.3	866,464	576,710
Depreciation	5	(19,000)	16,430
Proceed on disposal on non-current assets		-	(22,539)
Amortization of capital grant		<u>815,887</u>	<u>(1,750,891)</u>
Changes in working capital			
Decrease in inventories		333,120	(490,881)
Decrease in receivables		831,786	(221,983)
Decrease in other payables		<u>(1,411,081)</u>	<u>2,549,308</u>
		<u>(246,175)</u>	<u>1,836,444</u>
Net cash inflows/(outflows) from operations		<u>569,712</u>	<u>85,553</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Interest income	2.3	359	1,704
Purchase of property, plant and machinery	5	(11,990,291)	(3,362,995)
Proceeds on disposal		19,000	-
Net cash outflows on investing activities		<u>(11,970,932)</u>	<u>(3,361,291)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in capital grant		<u>10,263,265</u>	<u>1,300,000</u>
		<u>10,263,265</u>	<u>1,300,000</u>
Net Cash Infows/(Outflows)		<u>(1,137,955)</u>	<u>(1,975,738)</u>
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at the beginning of the year		2,363,615	4,339,354
Increase/(Decrease) during the year		<u>(1,137,955)</u>	<u>(1,975,739)</u>
Cash and cash equivalents at end of the year	8	<u>1,225,660</u>	<u>2,363,615</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31ST December 2014

1. Establishment

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) was established under the Technical Education, Vocational Entrepreneurship Training (TEVETA) 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 2014 to 31st December 2014. 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 Statement of Financial position 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 (Cont.)

For the year ended 31ST December 2014

Component	ZMK 31 December 2014	ZMK 31 December 2013
Government Grants Revenue	8,500,000	8,335,200
Government Grants-Tevet Fund	1,609,358	1,135,521
Government Grants Examination	2,499,951	2,000,000
TEVETA Fund Administrative Fee	-	200,000
Registration Fees	145,000	182,000
Accreditation Fees	739,040	966,450
Examination Fees	6,164,435	5,652,420
Amortization of the Capital Grant	-	22,539
Loan interest	359	-
Interest	-	1,704
Proceeds on disposal	19,000	-
Other Income	46,639	32,588
TOTAL	19,723,782	18,528,422

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 (Cont.)

For the year ended 31ST December 2014

2.6 Inventories

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

2.7 Financial Assets

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

2.8 Financial liabilities

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

a) Liquidity risk

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

b) Cash flow risk

The Authority is not exposed to the risk that future cash flows associated with monetary financial instruments will fluctuate in amounts. It has no instruments that include a floating interest rate.

2.9 Adoption of new and revised standards

IFRS 8 Operating Segments

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

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2014

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

IAS 23 Borrowing Costs

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

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

IAS 1 Presentation of Financial Statements (Revised)

The main changes are as follows:

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

IFRIC 12 Service Concession Arrangements

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

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

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2014

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2014

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 Statement of Financial position date. Gains and losses arising on translation are included in the income and expenditure statement in the year in which they arise.

2.14 Gratuity Earnings

On 1 February 2000, the National 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.

3. Excess of expenditure over income for the year

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

	ZMK 31 December 2014	ZMK 31 December 2013
Audit fees	46,090	41,900
Gratuities	1,318,159	1,413,740
Leave	109,130	467,060
Depreciation	866,464	576,710
Board fees and expenses	489,722	336,420

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 (Cont.)

For the year ended 31st December 2014

5. Property, Plant and Equipment	Land & Buildings ZMK	Motor Vehicles ZMK	Office Equipment ZMK	Furniture & Fittings ZMK	Computer Equipment ZMK	Computer Software ZMK	Assets not Yet placed In service ZMK	Capital working in progress ZMK	TOTALS ZMK
Cost									
Balance at 01.01.2013	105,808	1,856,654	916,263	739,546	1,042,342	459,538	-	-	5,120,151
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>326,071</u>	<u>1,668,918</u>	<u>1,289,470</u>	<u>7,535,276</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>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>4,597,493</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>1,822,638</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2014

5. Property, Plant and Equipment (Cont.)

	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 01.01.2014	111,608	1,715,650	1,135,278	684,893	603,408	326,072	1,668,918	1,289,470	7,535,270
Additions	-	1,590,664	220,455	-	126,521	120,063	(1,668,918)	11,601,506	11,990,291
Disposals	-	(388,225)	-	-	-	-	-	-	(388,225)
Balance at 31.12.2014	<u>111,608</u>	<u>2,918,089</u>	<u>1,355,733</u>	<u>684,893</u>	<u>729,929</u>	<u>446,135</u>	<u>-</u>	<u>12,890,976</u>	<u>19,137,342</u>
Depreciation									
Balance at 01.01.2014	7,018	1,411,960	466,989	414,863	415,422	226,552	-	-	2,942,805
Charge for the year	1,682	374,042	226,450	84,586	99,277	80,428	-	-	866,464
Disposals	-	(388,225)	-	-	-	-	-	-	(388,225)
Balance at 31.12.2014	<u>8,700</u>	<u>1,397,777</u>	<u>693,439</u>	<u>499,449</u>	<u>514,699</u>	<u>306,980</u>	<u>-</u>	<u>-</u>	<u>3,421,023</u>
Net Book Value									
Balance at 31.12.2014	<u>102,908</u>	<u>1,520,312</u>	<u>662,294</u>	<u>185,444</u>	<u>215,230</u>	<u>139,155</u>	<u>-</u>	<u>12,890,976</u>	<u>15,716,319</u>
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>

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

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2014

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 2014	ZMK 31 December 2013
Staff Receivables	251,671	116,583
Prepayments	77,572	27,102
Sundry Debtors	141,373	141,815
Receivables-TPs	<u>1,649,712</u>	<u>2,666,614</u>
TOTAL	<u>2,120,328</u>	<u>2,952,114</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 (Cont.)

For the year ended 31ST December 2014

8. Cash and Cash Equivalents

	ZMK 31 December 2014	ZMK 31 December 2013
Citibank – TEVETA/GRZ	97,212	686,569
Citibank-Examinations	533,565	460,390
Stanbic – GRZ ZMK	445,882	441,547
Stanbic – IDA Kwacha	-	2,196
Zanaco	32,270	620,372
Cash in Hand	5,095	5,000
Citibank –GRZ Construction	111,636	147,541
TOTAL	<u>1,225,660</u>	<u>2,363,615</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 2014.

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

	ZMK 31 December 2014	ZMK 31 December 2013
Employees related accruals	1,462,407	1,102,644
Local suppliers	952,445	3,476,212
Sundry payables and accrued expenses	716,694	75,580
Credit balances in debtors	247,670	135,857
TOTAL	<u>3,379,216</u>	<u>4,790,293</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31ST December 2014

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

	ZMK 31 December 2014	ZMK 31 December 2013
Gratuity	1,151,067	793,388
Leave Pay	<u>311,340</u>	<u>309,260</u>
Total	<u>1,462,407</u>	<u>1,102,648</u>

10. Capital grant

Amounts recognized in the Financial Statements are determined as follows:

	ZMK 31 December 2014	ZMK 31 December 2013
At the Start of the Year	2,800,000	1,500,000
Prior year adjustment	(1,300,000)	-
Received during the year	<u>11,563,265</u>	<u>1,300,000</u>
Total	<u>13,063,265</u>	<u>2,800,000</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.

Prior year adjustment relates to accruals of a grant which was wrongly assumed to have been received now corrected.

11. Contingent liabilities

There is an outstanding claim in court lodged by a former employee with regard to wrongful dismissal. No provision has been made in the financial statements.

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.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2014

Examples of such transactions include:

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

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

Transactions

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

	ZMK 31 December 2014	ZMK 31 December 2013
Government Funding received	<u>8,500,000</u>	<u>8,335,200</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 2014

Appendix I

	2014 K	2013 K
INCOME		
TEVET Fund Support-GRZ	1,609,358	1,135,521
	<u>1,609,358</u>	<u>1,135,521</u>
EXPENDITURE		
Direct Expenses		
Window 3:Investment & Development	1,399,635	731,304
Subsidy	-	150,896
Bursary	-	128,887
	<u>1,399,635</u>	<u>1,011,087</u>
Administration Expenses		
Bank Charges	-	5,676
Management Fees	-	200,000
Monitoring and Evaluation	36,648	-
	<u>36,648</u>	<u>205,676</u>
SURPLUS FOR THE PERIOD	<u>173,075</u>	<u>(81,242)</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVETA - INCOME AND EXPENDITURE STATEMENT For the year ended 31ST December 2014

Appendix II

INCOME	31 December 2014	31 December 2013
	K	K
Grant-GRZ	8,500,000	8,335,200
Grant-Examination	2,499,951	2,000,000
Tevet Fund Support - GRZ	1,609,358	1,135,521
Registration Fees	145,000	182,000
Accreditation Fees	739,040	966,450
TEVET Fund Administrative Fees	-	200,000
Curriculum/Syllabus	46,640	-
Examination Fees	6,164,435	5,652,420
Bank Interest	-	1,704
Loan interest	359	-
Other Income	46,639	32,588
Proceeds from disposal	19,000	-
Amortisation of Grant	-	22,539
Total Income	<u>19,723,783</u>	<u>18,528,422</u>

EXPENDITURE

Direct Expenditure	31 December 2014	31 December 2013
	K	K
Improve Operational Efficiency of TEVETA	202,747	108,697
Revenue, Registration Accreditation Visits	750	10,023
Human Resource Development Plan	986,074	827,808
Operationalise TEVET Fund	1,438,478	1,426,528
Sixteen National Curricular Revised & Approved	-	260,211
TEVET Institutions Registered	140,355	106,892
Implement TQF to Improve TAQS	-	11,608
At least 300 Inspected TPs adhere to Quality	76,548	83,544
Develop Accreditation Systems	13,479	138,175
Conduct and Administer Exams	3,789,050	4,835,414
Improve Trade testing Systems	411,422	547,185
Develop and promote synergies-Ent & TPs	314,456	331,484
Training System Development	212,356	283,690
Promote and Implement IEC Strategy	362,285	331,484
Develop & Revision of Occupation profile for curr	<u>253,432</u>	-
TOTAL Direct Expenditure	<u>8,201,432</u>	<u>8,971,259</u>

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

TEVETA - INCOME AND EXPENDITURE STATEMENT (Cont.)
For the year ended 31ST December 2014

Administrative Expenses	31 December 2014	31 December 2013
	K	K
Adherence to Reporting Requirements	489,722	478,769
Stationery & Consumables	308,410	363,529
Cleaning expenses	50,756	31,031
Printing and Stationery	-	-
Office Expenses	47,660	43,905
General Expenses	37,541	90,312
Telephone	250,606	191,096
Electricity	34,506	30,956
Water	225	500
Internet Services	64,152	62,649
Computer Expenses	15,602	29,799
Security	92,711	91,771
Postage	42,112	15,204
Insurance and Licenses	410,223	426,443
Repairs & Maintenance – Office	45,640	37,425
Equip		
Repairs & Maintenance – General	52,891	114,402
Motor vehicles expenses	463,239	513,597
Depreciation	866,464	576,710
Local travel	-	3,600
Bank Charges	48,101	43,122
Subscriptions	2,215	-
Staff Relocation costs	24,300	-
Overtime-Fin. & Admin	-	-
Leave and Gratuity	1,427,289	1,880,806
Settling In Allowance	32,428	11,430
Personal Emoluments	6,693,074	6,611,297
Legal expenses	-	14,149
Casual wages	5,100	16,275
Staff Uniforms	9,850	7,857
Evaluation bids	-	28,650
Advertising	6,564	8,242
Bad debts	-	80,346
Other expenses	-	2,061
Loss on disposal	-	16,430
Stock Variance /Count Variance	32,188	54,588
Other expenses	-	2,061
Loss on disposal	-	16,430
Total Admin Expenditure	<u>11,553,570</u>	<u>11,876,951</u>
Total Expenditure	<u>19,755,002</u>	<u>20,848,210</u>
Deficit for the Period	<u>(31,219)</u>	<u>(2,319,788)</u>

VISION

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

MISSION

In support of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Policy of the Government of the Republic of Zambia centered on youth empowerment or National Development, the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) will, through regulation, coordination, monitoring and stakeholder consultation:

- **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 among TEVET stakeholders

CORE 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.			Excellence		
			Team work and Stakeholder collaboration		
			Integrity		
			Professionalism		
			Innovation		

