



Technical Education, Vocational
and Entrepreneurship Training
Authority



2021 ANNUAL REPORT

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1. VISION, MISSION AND VALUES

1.1. VISION

A dynamic, credible and reliable regulator for technical education, vocational and entrepreneurship training (TEVET)

1.2. MISSION STATEMENT

To regulate, monitor and coordinate Technical Education, Vocational and Entrepreneurship Training (TEVET) to ensure sustainable supply of quality skilled labour force

1.3. VALUES

Core Values TEVETA upholds:	Integrity	We are honest and ethical in the execution of our duties
	Innovation	We are creative and embrace new ideas for effective service delivery
	Accountability	We are responsible for all our actions and transparent in the execution of our duties
	Equality	We treat all our clients fairly in the execution of our regulatory role
	Teamwork	We value collaboration with stakeholders for the achievement of the common goal

2. REGISTERED OFFICE

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

3. BANKERS:

3.1. CITIBANK ZAMBIA LIMITED

Lusaka Main Branch
Addis Ababa Roundabout
Lusaka
Zambia

3.2. STANBIC BANK ZAMBIA LIMITED

Woodgate House
Cairo Road
Lusaka
Zambia

3.3. ZAMBIA NATIONAL COMMERCIAL BANK LIMITED

Civic Centre Branch
Independence Avenue
Lusaka
Zambia

4. AUDITORS

Mark Daniels

5. TEVETA MANAGEMENT



Mr. Cleophas Takaiza
Director General



Mrs. Rudo Banda
Director Training Standards
Division



Dr. Phillip Mubanga
Director Finance &
Administration Division



Mr. Ocean Matimba
Director Assessments &
Certification Division



Mr. Phyllis Kasonkomona
Director Development
Division

6. EXECUTIVE SUMMARY

The Authority's activities were undertaken in line with objectives set in the 2021 to 2026 Strategic Plan. The strategic thematic results areas of the Strategic Plan are:

- a) operational excellence,
- b) stakeholder collaboration, and
- c) TEVET regulatory service excellence.

COVID-19 pandemic restrictions affected the implementation of several activities in the Strategic Plan in 2021 including inspection of training institutions. Training quality assurance inspections are undertaken to ensure compliance with minimum training standards amongst registered training institutions. Inspection findings showed that most training institutions did not have robust internal quality management systems for effective delivery of training. About 62.5% of the registered institutions were in "Grade 3", which shows that investment in tools and equipment, infrastructure, relevant learning materials, workshops and adequate management systems were required in the sector. There were 297 training institutions on the TEVETA register of training institutions as at December 31 2021. Twenty-six (26) institutions had their registration certificates cancelled mainly due to non-compliance to minimum training standards during the year under review.

In the year under review, 32 curricula were developed and 21 were reviewed in line with labour market needs. One hundred and seventy-two (172) programmes out of total 326 TEVET curricula were due for review as at December 2020. Capacity building to experts in materials development was conducted to improve the quality of learning materials.

A total of 48,108 learners were registered for TEVET assessments and examinations in 2021 compared to 32,264 in 2020. This represents 32.92% increase in the number of candidates assessed. This is attributed to the number of candidates who were allowed to sit for all the pending examinations they failed to sit for in 2020 because of Ministry of Health restrictions due to the outbreak of COVID 19. The overall pass rate for 2021 was 89.3% of the total of 19,950 candidates who registered to sit for ZQF Levels 4-6 Programmes. For Trade Test programmes, the pass rate was 90.05% of the 16,232 candidates who registered to sit for Trade Test programmes.

TEVET Fund disbursements towards continued improvement to access, quality and relevance of TEVET in line with the Seventh National Development Plan (7NDP) were made in the year. The TEVET Fund activities were implemented under Employer Based Training and SMEs and Informal Sector Training. A total of 73 contracts were signed to train 2,065 employees at a cost of K6,610,019.50. Two hundred and fifty two (252) contracts were signed with 64 TEVET institutions to support training of 6,180 students in the SMEs and Informal Sector. The training was at a cost of K15,167,000.00.

TEVETA 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.

Following the dissolution of the Board of TEVETA on 7th May 2017, the Authority has been reporting to the Ministry of Higher Education through the office of the Permanent Secretary.

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 (TEVET) 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 to:

- a). administer and manage the Technical Education, Vocational and Entrepreneurship Training (TEVET) Fund;
- b). advise the Minister on the development of quality of human resources in Zambia through technical education, vocational and entrepreneurship training;
- c). regulate and advise institutions established or registered under this Act;
- d). regulate and coordinate apprenticeship and trade testing systems;
- e). facilitate the provision of technical consultancy to institutions established or registered under this Act;
- f). facilitate the development of technical capacity in institutions established or registered under this Act;
- g). develop national curricula in consultation with stakeholders;
- h). set minimum standards and qualifications for any occupation, skill, technology or trade in accordance with trends in 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

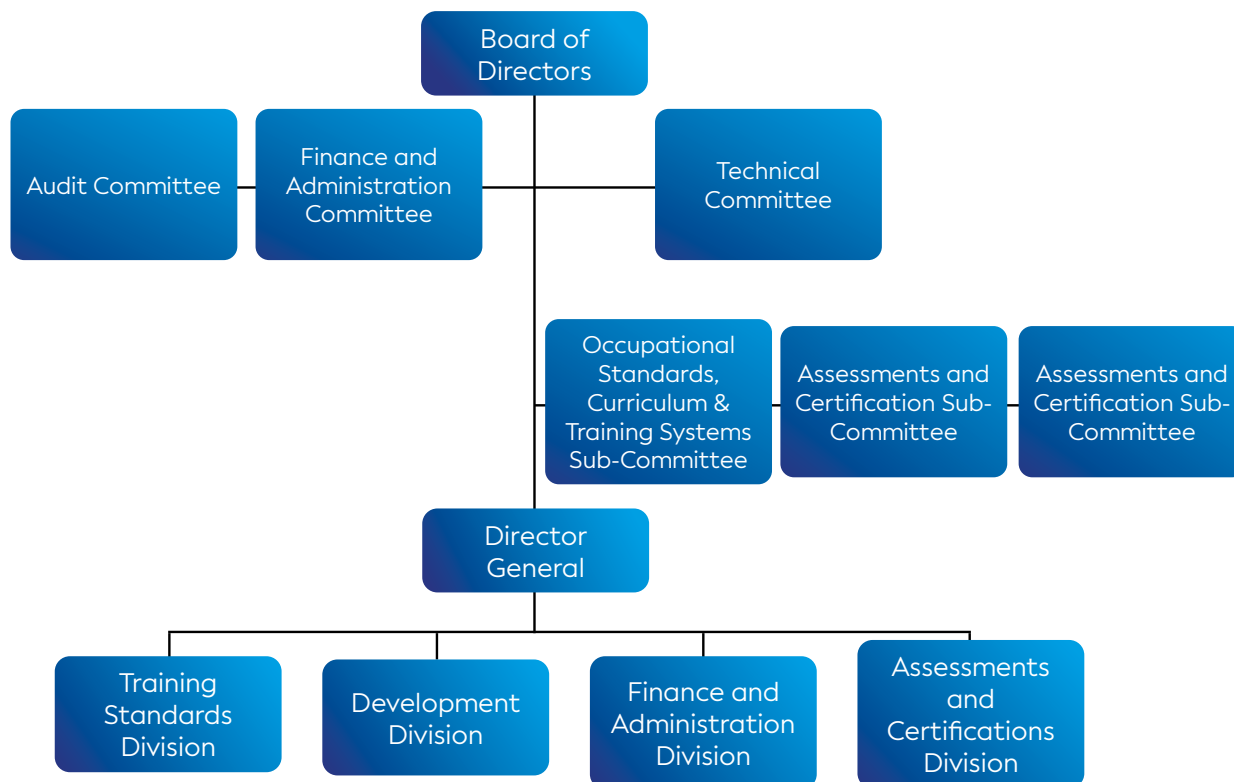
TEVETA is governed by a Board of Directors appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

- 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

GOVERNANCE STRUCTURE OF TEVETA



7.3. THE ROLE OF TEVETA

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) is organised around four Divisions, which are Training Standards, Development, Assessments and Certifications, and Finance and Administration. Divisions are headed by Divisional Directors who report to the Director General. Each Division is further structured into specialised operational Units.

This report covers the activities carried out by the Authority during the implementation of the 2021 Annual Work Plan and Budget for the period 1st January to 31st December. The Annual Work Plan and Budget activities were in line with TEVETA's 2021 – 2026 Strategic Plan whose strategic thematic results are:

- operational excellence to achieve effective and efficient service delivery,
- stakeholder collaboration for satisfied stakeholders and effective programme implementation, and
- TEVET regulatory service excellence to have adequate and skilled labour force.

7.3.1 TRAINING STANDARDS DIVISION

The responsibility of the Training Standards Division is to ensure compliance to the set quality standards in learning processes and environments through:

- inspection and registration of training institutions;
- accreditation of Trainers, Examiners, Assessors;
- provision of training provider support services for continuous improvement in training institutions;
- facilitation of continuous professional development of the personnel in the TEVET sector; and
- promotion of entrepreneurship training in the TEVET sector.

The Division achieves its mandate through its two (2) Units namely Training Provider Support Services Unit (TPSSU) and the Training Quality Assurance Unit (TQAU).

The Division activities were undertaken in line with objectives set in the 2021 to 2026 Strategic Plan.

To achieve these strategic objectives, the following were the activities that were undertaken:

i). Registration and inspection of training institutions

In the year under review, the Division conducted training quality assurance inspections for purposes of registering new training institutions and to ensure compliance with minimum training standards. Fifty-three (53) applications were received in 2021 from various institutions seeking to be registered with TEVETA. Twenty-six (26) of the applicants met the standards and were registered while the rest did not meet the minimum requirements for registration. The 27 institutions that were not registered were advised to resubmit their applications for processing once they addressed areas that made them fail. In addition, twenty-six (26) institutions had their registration certificates cancelled mainly due to non-compliance to the requirements of the TEVET Act No.13 of 1998 and amendment Act of No.11 of 2005. By the end of the year under review, 297 training institutions were registered with the Authority.

The TEVET institutions are encouraged to be responsive to the needs of industry and encouraged to increase their course portfolios. In this vein, thirteen (13) training institutions met the training standards to increase their course portfolios out of thirty-one (31) registered institutions that applied to add new programmes to their portfolios.

TEVETA has a quality grading system, which classifies training institutions according to the quality of training being offered. An institution can either be classified as a Grade 1, 2 or 3. A “Grade 1” institution is one which has well established management systems, qualified and experienced management staff, accredited trainers, appropriate and equipped workshops, ample classroom space, adequate reference materials for teaching and learning, equipped ICT facilities, adequate sanitary facilities and a conducive learning environment. A “Grade 2” Institution is one which meets the basic requirements whilst a Grade 3 institution is one that barely meets the training standards.

At the close of 2021, 62.5% of the registered institutions were in “Grade 3” compared to 63% in 2020. The high number of training institutions in “Grade 3” shows that many of the training institutions required investment in tools and equipment, infrastructure, relevant learning materials, workshops and adequate management systems. In addition, exposure to industry and new knowledge for the trainers and management continues to be a challenge.

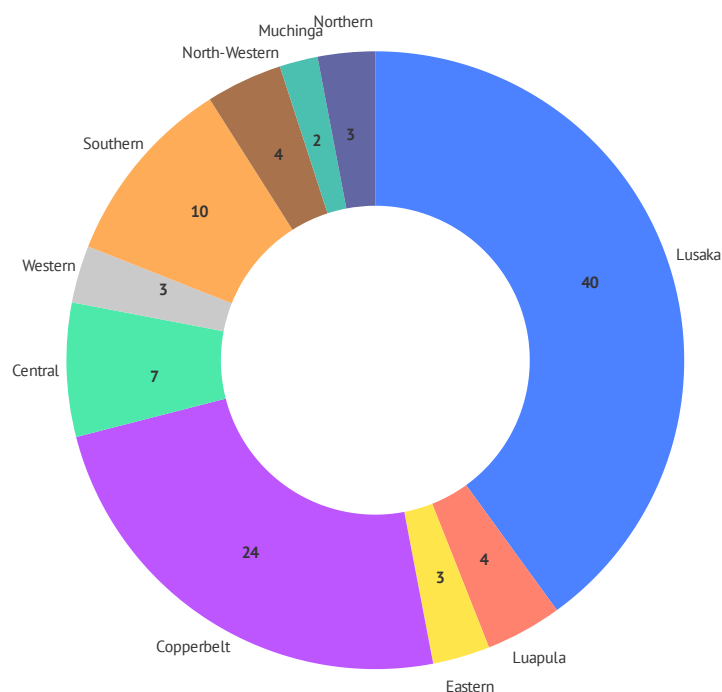
Table 1 below shows the distribution of the training institutions according to the Grade and the Province while Figure 1 shows the distribution of the training institutions according by Province.

Table 1: Distribution of Institutions according to Grades as at 31st December 2021

NAME OF THE PROVINCE	GRADE			TOTAL	% OF TOTAL
	1	2	3		
Central	2	4	15	21	7.1%
Copperbelt	10	16	45	71	24.0%
Eastern	1	3	7	11	3.4%
Luapula	0	3	9	12	4.1%
Lusaka	8	46	63	117	39.5%
Muchinga	0	0	6	6	2.0%
Northern	0	2	7	9	3.0%
North-Western	2	3	8	13	4.4%
Southern	1	10	17	28	9.5%
Western	0	1	8	9	3.0%
TOTAL	24	88	185	297	100%
%	8.1%	29.7%	62.5%	100%	

Figure 1: Distribution of Institutions according to Provinces

DISTRIBUTION OF THE TRAINING INSTITUTIONS



Majority of the institutions (84.5%) are still along the line of rail. The rest (15.5%) of the institutions are in the rural parts of the country. Most of the registered institutions in the year were owned by the Government of the Republic of Zambia and the least were those formed under the Trust as seen from Table 2 which provides the highlights of the Institutions according to ownership.

Table 2: Distribution of the Institutions according to Ownership

Name of Province	Type of Ownership							Total
	Public / Government	Private	Church	Community	Trust	Company	NGO	
Lusaka	28	50	14	2	5	6	12	117
Copperbelt	26	16	8	3	2	12	4	71
Southern	11	5	8	0	0	2	2	28
Northwestern	7	1	0	0	0	4	1	13
Luapula	7	0	4	1	0	0	0	12
Central	12	3	3	0	0	0	3	21
Eastern	8	1	2	0	0	0	0	11
Western	7	0	2	0	0	0	0	9
Northern	6	1	2	0	0	0	0	9
Muchinga	4	0	0	1	0	1	0	6
Total	116	77	43	7	7	25	22	297
%	39.1%	25.9%	14.5%	2.4%	2.4%	8.4%	7.4%	100.0%

In addition, Table 3 shows the distribution of institutions according to the levels of qualifications being offered in the sector. The table shows that most of the training being offered under TEVET is still in the lower levels of the Zambia Qualifications Framework. This serves as an opportunity for TEVETA to facilitate for the development and delivery of training in the higher levels of the qualifications framework. This will help in the meeting of skills gaps as identified by industry.

Table 3: Distribution of Institutions according to Levels of qualifications

NAME OF PROVINCE	Short Courses	Level 3 Certificate	Level 4 Certificate	Level 5	Diploma	Diploma	Total
				Certificate	(Tech)	(Mgt.)	
Central	2	10	6	0	1	2	21
Copperbelt	13	31	5	2	6	14	71
Eastern	0	7	4	0	0	0	11
Luapula	0	9	2	1	0	0	12
Lusaka	45	36	11	1	7	17	117
Muchinga	0	4	2	0	0	0	6
Northern	1	6	1	1	0	0	9
North-Western	0	9	4	0	0	0	13
Southern	5	13	8	0	0	2	28
Western	0	6	2	0	0	1	9
TOTAL	66	131	45	5	14	36	297
%	22.22%	44.11%	15.15%	1.68%	4.71%	12.12%	100%

ii). Accreditation of Trainers, Assessors and Examiners

Accreditation of Trainers, Assessors and Examiners was conducted in accordance with the requirements of the TEVET Act No.13 of 1998 and amendment Act No. 11 of 2005. Accreditation promotes quality training delivery in the sector. A total of 1, 862 applications were received for accreditation for the year 2021. A total of 1, 651 were accredited, representing 87% accreditation success rate for the year. The other applications did not meet the minimum requirements for accreditation.

iii). Provision of training provider support services with respect to continuous improvement

In the year under review, the Division conducted various support services to training institutions for continuous improvement in training delivery. Seventy (70) training institutions were visited to provide support services to enhance the quality of training. The major findings from the visits were that some institutions do not have quality management systems thereby making it difficult for them to maintain operational documents to operate effectively and efficiently. Thus, the Division facilitated the development of guidelines for training institutions to develop quality management systems. The guidelines will be operationalised in 2022.

iv). Facilitation of continuous professional development of the personnel in the Sector

Capacity building activities were conducted to improve institutional performance in the sector. The programmes conducted were in institutional management and examination setting for the assessors and examiners. The capacity building activities were conducted at Sixty-three (63) training Institutions and for Two Hundred and Forty-two (242) accredited examiners and assessors. A Sector Human Resource Development Plan will be developed in 2022 for holistic capacity building implementation.

v). Promotion of entrepreneurship training.

The delivery of entrepreneurship training was monitored among the 297 institutions in line with the TEVET Policy of 2020, which prioritises entrepreneurship enhancement in the sector. A limited number of qualified entrepreneurship trainers to meet the needs of the sector and inadequate access to the curriculum and training materials by the trainers and trainees have remained the main challenges.

The review of the curriculum and development of training materials are among interventions in 2022. Guidelines for establishment and management of Entrepreneurship Incubation Centres (EIC) in TEVET Institutions were developed. They will be operationalised in 2022.

7.3.2 DEVELOPMENT DIVISION

The Development Division is responsible for developing learning programmes, setting standards and providing guidelines for the implementation of different modes of teaching and learning. The strategic objectives of the Development Division during the year under review were;

- To develop and continuously review curricula to ensure it is relevant and responsive to national and industry demands.
- To develop and promote innovative training systems to increase access to TEVET through a variety of learning pathways.
- To develop and implement a TEVET Research, Innovation and Knowledge management system.

i). Curriculum Development and Review

In the year under review, the Development Division developed 32 new curricula to meet industry demands for new skills. The Division also reviewed 21 old curricula and learning materials to align them to new technological developments. There were 172 programmes due for review by the end of the year out of the total number of 326 TEVET curricula.

ii). Material Developers Capacity Building

Capacity building to four (4) teams of experts through orientations on materials development was conducted to improve the quality of learning materials. Learning materials evaluation to assess their suitability for training and relevance to needs of industry were undertaken in the year under review.

iii). Skills Advisory Groups (SAGs)

The establishment of Skills Advisory Groups (SAGs) in key sectors of the economy was facilitated by the Division. A Skills Advisory Group coordinated in the year under review was for the Commercial and Industrial Sector to enhance the quality of its skills.

7.3.3 ASSESSMENTS AND CERTIFICATIONS DIVISION

The Assessments and Certifications Division is responsible for the conduct and administration of TEVET Assessments and Examinations to learners in institutions registered with TEVETA. The strategic objective of the Assessments and Certification Division is to develop and continuously improve the TEVET Assessments and Certification system to cater for all training systems in the context of the Zambia Qualifications Framework.

During the year under review, the Division conducted the three (3) examination sessions in April-May, July-August and November-December. The July-August examinations were however held in October due to closure of colleges caused by COVID 19 outbreak. September-October session for Junior Secondary School Vocational Education and Training (JSSVET) was also conducted at the end of September instead of their scheduled time in early September.

i). Number Of Institutions that Participated in the Examinations

A total of 143 institutions presented candidates in Regular Programmes (Certificate to Diploma –ZQF Levels 4-6) during the 2021 examinations. Copperbelt and Lusaka provinces had the highest number of institutions recording 43 and 41 institutions respectively, while Northern and Muchinga provinces had the lowest number of institutions recording 3 and 1 institutions respectively.

In the same period 220 institutions presented candidates in Trade Test, at level 3 on the ZQF framework and lower level (II) and level (III) on TEVET Qualification Framework (TQF). Lusaka and Copperbelt provinces had the highest number of institutions recording 58 and 53 institutions respectively, while

Muchinga and Northern provinces had the lowest number of institutions recording 8 and 6 institutions respectively. Five (5) institutions presented candidates for Skills Award, 2 in Lusaka province, one (1) in Central and Luapula respectively.

Two hundred and sixty-eight (268) institutions presented candidates for Junior Secondary School VET programmes in the 2021 TEVET examinations. Copperbelt and Southern provinces recorded the highest number of institutions participating in the 2021 examinations recording 110 and 36 institutions respectively. The least number of institutions were recorded in North Western (10) followed by Central province (6). Figure 1 and Table 1 shows this distribution:

Figure 2: Institutions that participated in the examinations

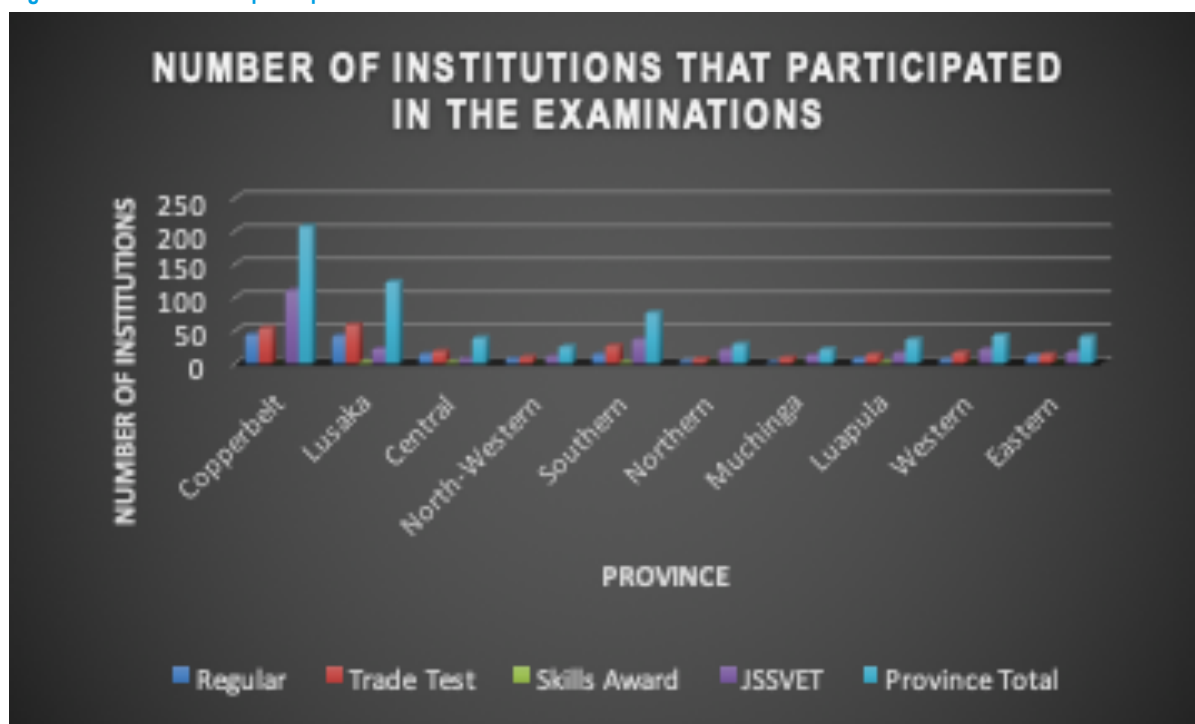


Table 4: Institutions that participated in the examinations

Programme	Copperbelt	Lusaka	Central	North-Western	Southern	Northern	Muchinga	Luapula	Western	Eastern	Total
Regular	43	41	13	6	13	3	1	7	5	11	143
Trade Test	53	58	18	9	26	6	8	13	16	13	220
Skills Award	0	2	1	0	1	0	0	1	0	0	5
JSSVET	110	22	6	10	36	20	12	15	21	16	268
Province Total	206	123	38	25	76	29	21	36	42	40	636

ii). Candidature

A total of 48,108 learners registered for 2021 TEVET assessments and examinations (20,139 ZQF Levels 4-6 Programmes, 16,665 Trade Test Programmes 10,912 Junior Secondary School VET and 392 Skills Awards programmes). All programmes recorded an increase in the number of candidates assessed from 32,264 in 2020 to 48,103 in 2021 representing an increase of 32.92%. This is attributed to the fact that candidates who had failed to sit for some of their examinations in 2020 due Ministry of Health restrictions due to the outbreak of COVID 19 were allowed to sit for all the pending examinations. This resulted in an increase in the number of candidates who sat for examination in 2021. Refer to Figure 3 and Table 5.

Figure 3: Candidature

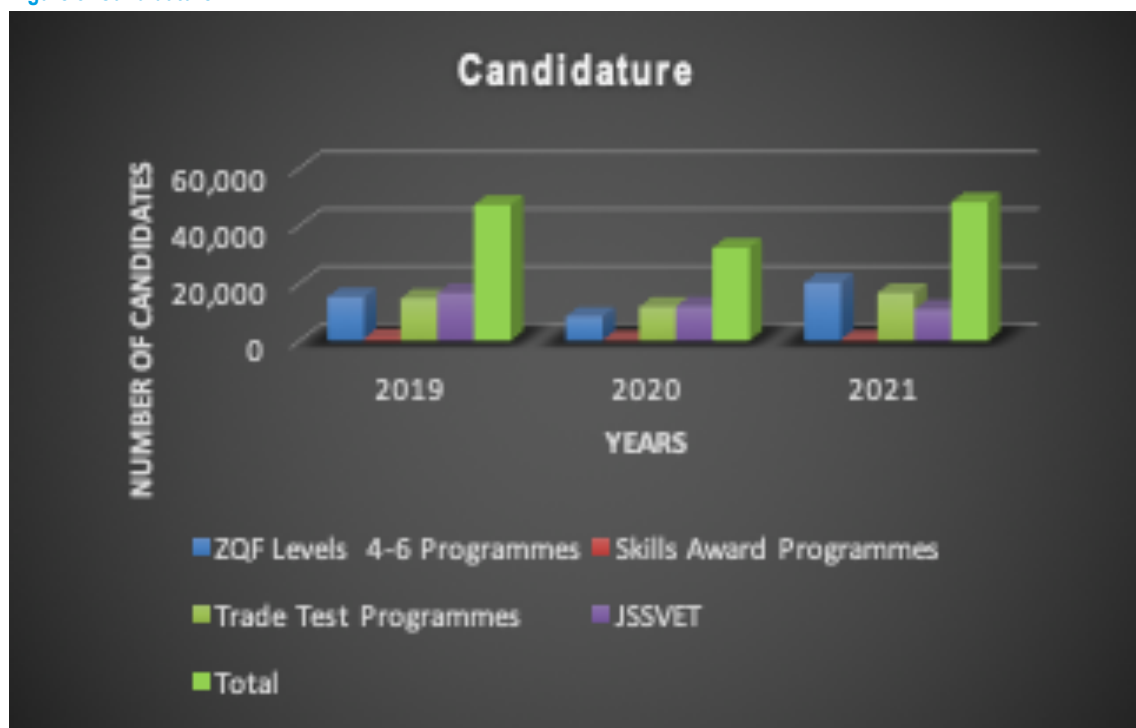


Table 5: Candidature

	2019	2020	2021
ZQF Levels 4-6 Programmes	15,141	8,382	20,139
Skills Award Programmes	782	154	392
Trade Test Programmes	14,677	11,804	16,665
JSSVET	16,562	11,924	10,912
Total	47,162	32,264	48,108

iii). Number of Programmes Examined

A total of 221 courses and assessments were conducted in 2021. These were 133 ZQF Levels 4-6 Programmes, 85 Trade Test /JSSVET Programmes and 3 Skills Awards. Refer to Figure 4 and Table 6.

Figure 4: Number of programmes examined/assessed

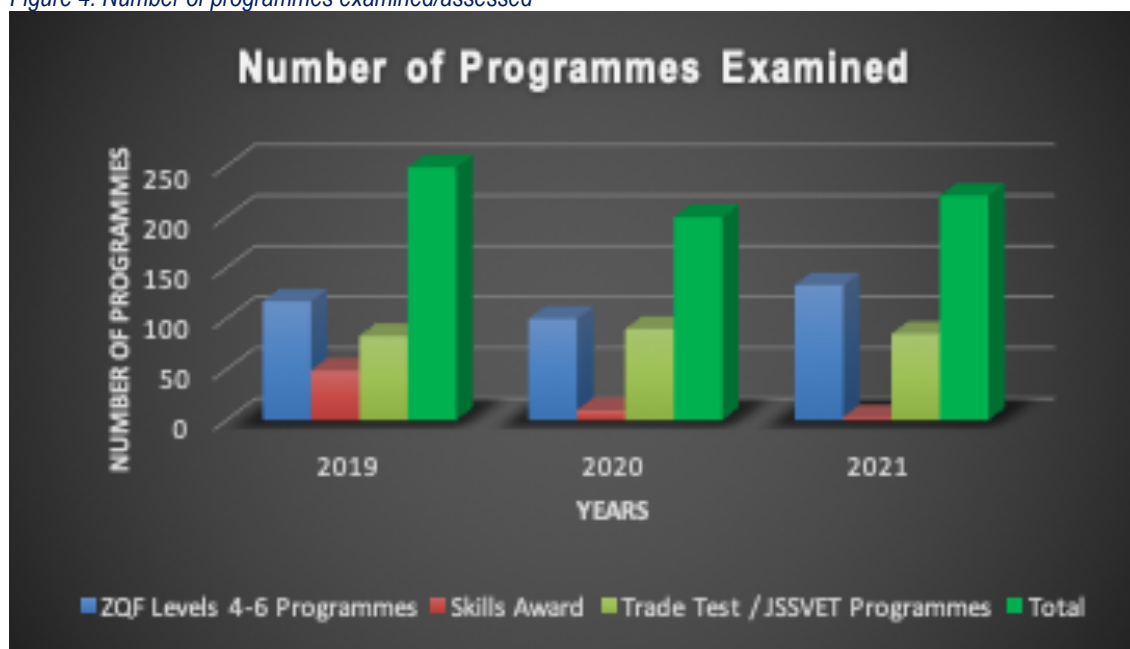


Table 6: Number of programmes examined/assessed

	2019	2020	2021
ZQF Levels 4-6 Programmes	117	100	133
Skills Award	49	10	3
Trade Test / JSSVET Programmes	83	90	85
Total	249	200	221

iv). Number of Subjects Examined

A total of 1,682 subjects were examined in 2021 examinations. The number of subjects examined decreased from 1,741 in 2020 to 1,682 representing a percentage decrease of 3.38%. Refer to Figure 5 and Table 5. The reduction is attributed to the revision of some curricula, which reduced the number of subjects to rationalize the student workloads.

Figure 5: Number of subjects examined

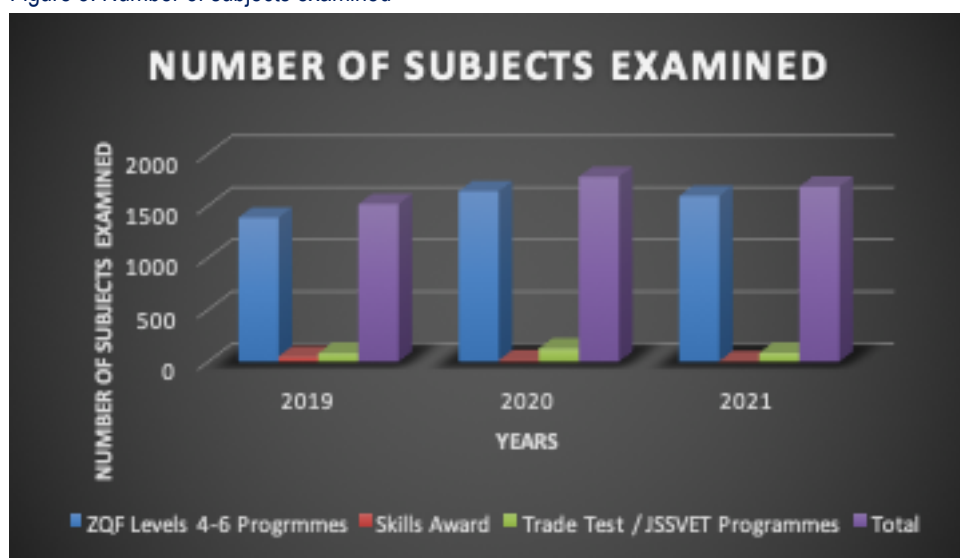


Table 7: Number of subjects examined

	2019	2020	2021
ZQF Levels 4-6 Programmes	1385	1638	1,592
Skills Award	48	13	5
Trade Test / JSSVET Programmes	83	90	85
Total	1516	1741	1,682

v). Overall Performance – ZQF Levels 4-6 Programmes

From 20,139 candidates who registered to sit for ZQF Levels 4-6 Programmes; 19,950 sat for the examinations. A total of 12,362 males and 5,446 females passed. Those who failed were 1,469 males and 673 females. A total of 189 candidates were absent. This brought the overall pass rate to 89.26%. Table 8 indicates this distribution:

Table 8: Overall Performance – Regular Programmes

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
20,139	19,950	189	12,362	5,446	1,469	673

The pass rates for males and females were 89.37% and 89% respectively (Refer to Figure 6 and Figure 7).

Figure 6: Male Performance - Regular Programmes

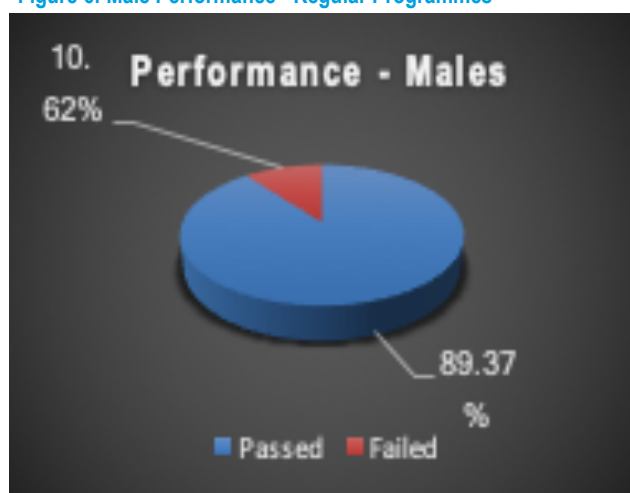
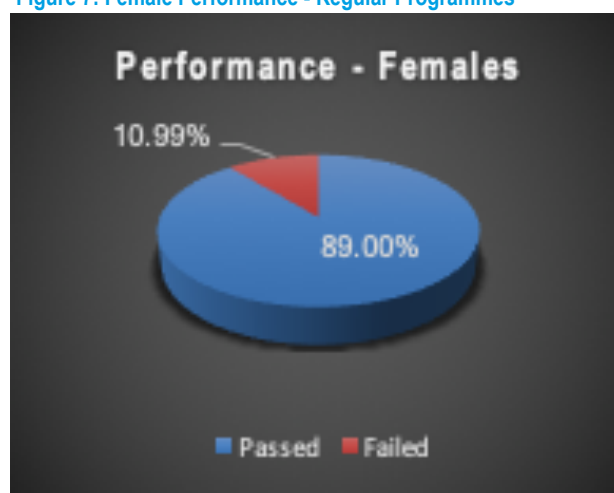


Figure 7: Female Performance - Regular Programmes



vi). Overall Performance – Trade Test Programmes

From 16,665 candidates who registered to sit for Trade Test programmes, 16,232 sat for the examinations. A total of 8,543 males and 6,075 females passed. Those who failed were 1,031 males and 583 females and 433 candidates were absent. This brought the overall pass rate at 90.05%. Refer to Table 8.

Table 9: Overall Performance – Trade Test Programmes

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
16,665	16,232	433	8,543	6,075	1,031	583

The pass rates for males and females were 89.23% and 91.24% respectively. The pie charts in Figure 9 and 10 show the breakdown:

Figure 9: Male Performance –Trade Test Programmes

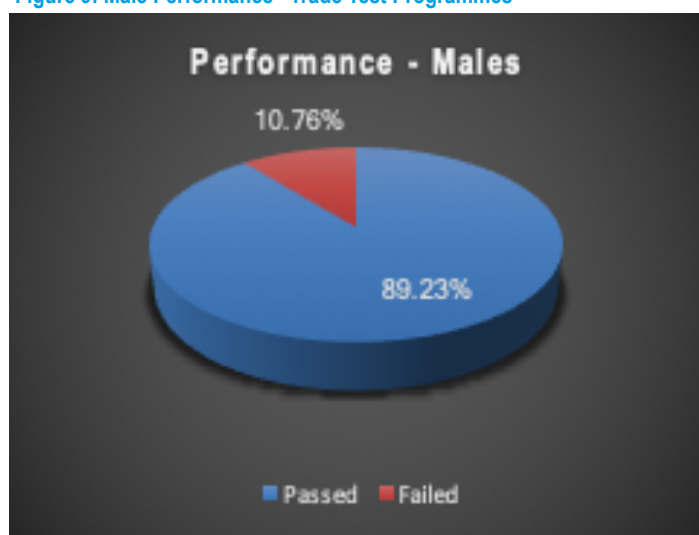
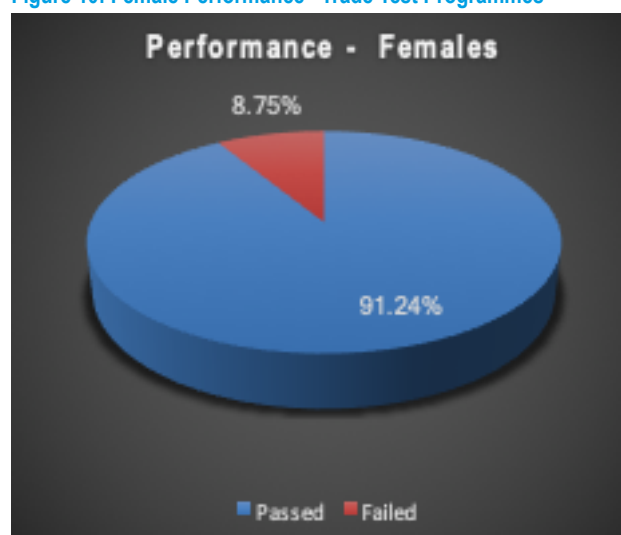


Figure 10: Female Performance –Trade Test Programmes



vii). Overall Performance Skills Award

From 392 candidates who registered to sit for the Skills Award programmes; 201 males and 137 females passed, whilst 14 males and 2 females failed. This brought the overall pass rate at 95.9 %. Refer to Table 10

Table 9: Overall Performance –Skills Award Programmes

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
392	392	0	201	137	14	2

The pass rates for males and females were 93.48% and 98.56% respectively. The pie charts in Figure 11 and 12 show this breakdown:

Figure 11: Male Performance –Skills Award Programmes

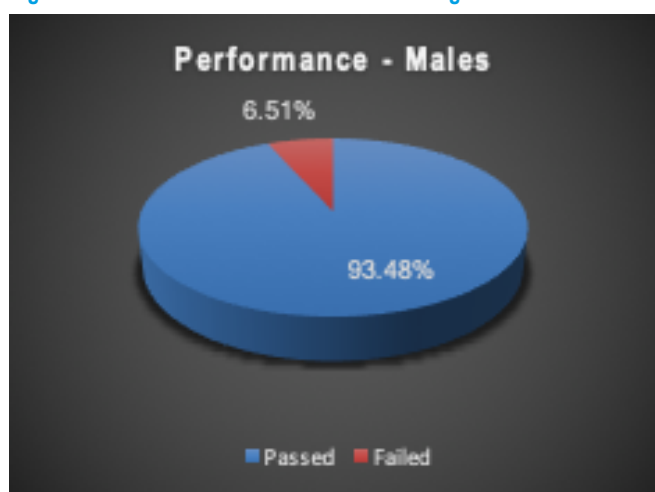
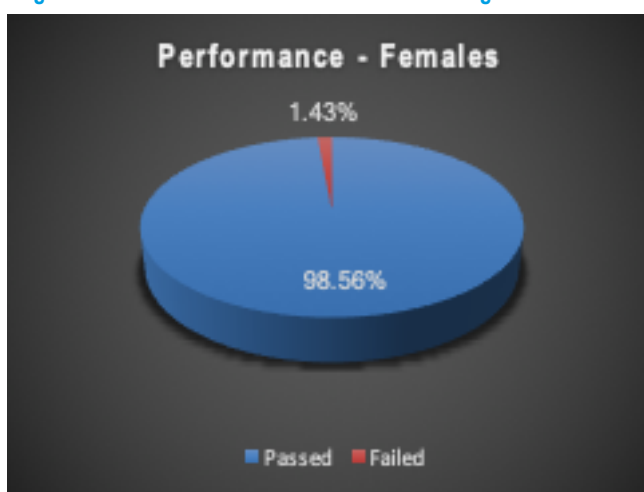


Figure 12: Female Performance –Skills Award Programmes



viii). Re-sit Candidates

The number of re-sit candidates increased from 2,989 in 2020 to 4,847 in 2021 representing an increase of 38.3%. This is attributed to an increase in the candidature for the period under review. Refer to Table 10.

Table 10: Re-sit Candidates

	2019	2020	2021
No. of Re-sit Candidates	4,133	2,989	4,847

ix). Re-sit Subjects

The number of subjects that were re-sat decreased from 2,386 in 2020 to 1,000 representing a 58.08% decrease. The lowest re-sit subjects were recorded in 2019 at 986. Refer to Table 11.

Table 11: Re-sit Subjects

	2019	2020	2021
No. of Re-sit Subjects	986	2,386	1,000

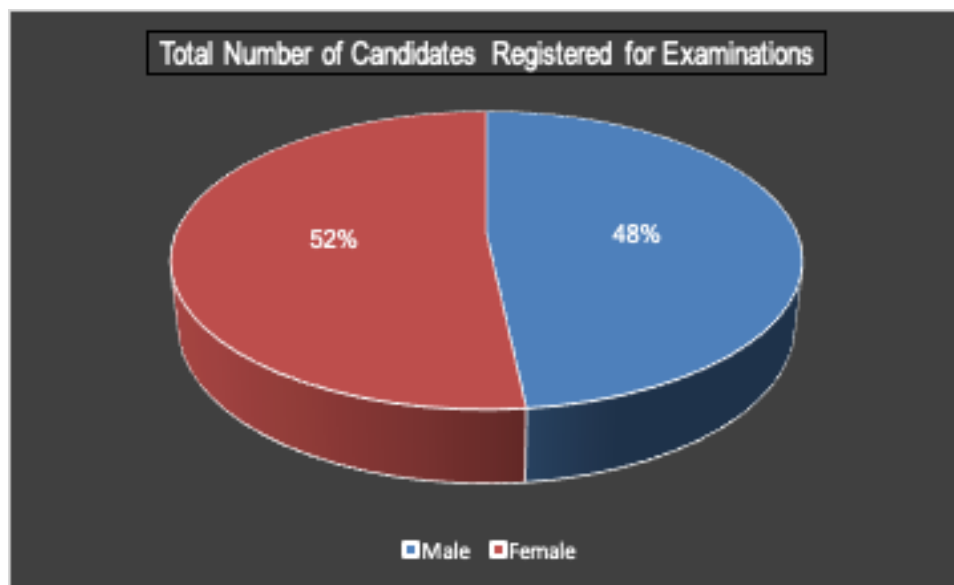
x). Candidature – Secondary School Vocational Education and Training (SSVET)

A total of 10, 912 candidates registered to sit for September – October, 2021 SSVET examinations. From this number 10,662 sat for the examination. Males were 5,152 whilst 5,510 were females, representing a percentage of 52% and 48% respectively. Refer to Figure 13.

Table 12: Candidature- SSVET

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
10,912	10,662	250	4532	4973	620	537

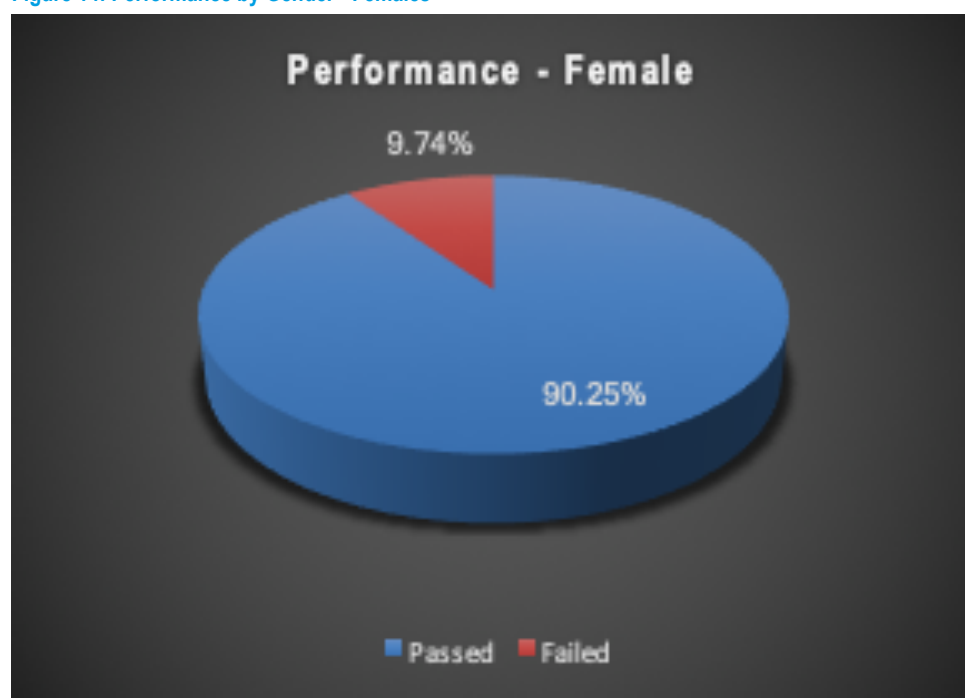
Figure 13: Candidature- total number of candidates who registered for examinations



xi). Performance – Secondary School VET

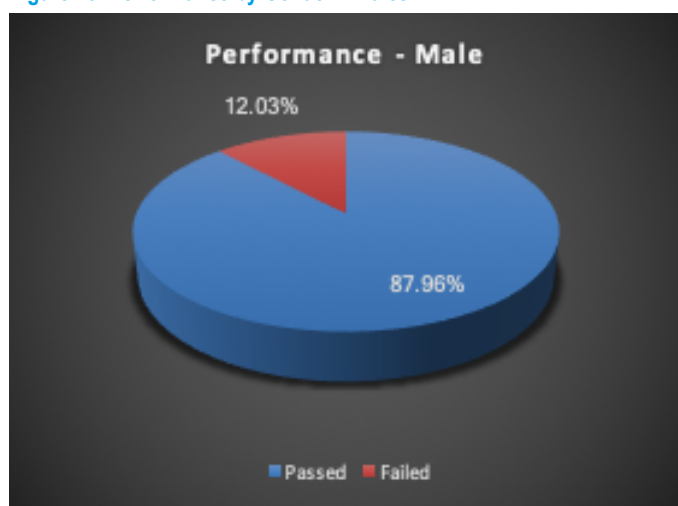
From 5,510 female candidates who sat for examinations, 4,973 passed making the pass rate at 90.25% whilst 537 failed with failure rate at 9.74%. Figure 14 shows this distribution:

Figure 14: Performance by Gender - Females



From 5,152 male candidates who sat for examinations, 4,532 passed making the pass rate at 87.96% whilst 620 failed with failure rate at 12.03%. Figure 15 shows this distribution:

Figure 15: Performance by Gender – Males



The overall pass rate for SSVET assessments for 2021 was at **89.14%**

xii). Enhancements

- The enhancements made by the IT Unit on the new database have brought about improvements in the capturing of learner data information. This included enrollment of candidates to various programmes, registration for examinations entry, and capturing of examination results. The speed of the system has improved and the turnaround time in processing the learner data information has also improved compared to the previous platform. The online platform is completely rolled out to all TEVET institutions and there shall be marked improvement in processing the Learner Data. The Authority is in the final stages of completely rolling out the online student enrolments, examination registrations and is working on developing an online certificate verification system so that we minimise face to face contacts with our clients.
- During the year under review, the Assessments and Certification division acquired a 10-ton Hino truck to help in the distribution of examination materials. The Authority has implemented measures to enhance examination security to minimise examination malpractices..

7.3.4 FINANCE AND ADMINISTRATION DIVISION

The Finance and Administration Division is responsible for the overall management of the financial, human resource and administrative matters of the Authority. The Division is also responsible for the day to day management and operations of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Fund.

i). Staffing

The total number employed as at 31 December 2021 was 72 against an authorised establishment of 85. The breakdown by Contract duration is shown in the table below:

Table 16: Total Number of Staff

Contract Duration	Number of Staff
5 Years	67
3 Years	1
6 Months	3
3 months	1
Total	72

New Appointments/Engagements

The following recruitments were made during the period.

Name	Position	Effective date	Reason
Danstan Nsama	Manager-Trades Tests and RPL	22 October 2021	New Position
Nyachilongu Muzeya	Acting Revenue Accountant	15 th July 2021	Vacancy
Jackson Beene	Trade Test Officer	16 th August 2021	New Position
David Lombe	Trade Test Officer	23 rd August 2021	New Position
Davies Kaili	Accounts Officer	15 July 2021	Vacancy
Miyanda Haamujompa Ndhlovu	Accounts Officer	13 December 2021	Short-term assignment
Mavis Ngandu	Office Assistant	1 October 2021	Replacement Recruitment
Mwangala Sakajila	Intern	27 September 2021	Internship
Mwaba Kapompole	Intern	1 October 2021	Internship
Total	8		8

Departures/Separations

Name	Position	Effective date	Reason
Chitalu Mulenga	Revenue Accountant	31 August 2021	Resignation
Christina Soko	Office Assistant	12 June 2021	Death

ii). Information Technology

To combat and mitigate the spread of COVID-19, the Authority invested in appropriate technologies and developed, enhanced, and deployed online service delivery platforms, which include TEVETA Online Payments Platform, Training Provider Management, Monitoring and Tracking System (TPMMS) and Digital Learning Platform. The TEVETA Online Payment Gateway enabled students, learning institutions and stakeholders pay for various fees and services to TEVETA via the internet. The payment gateway comes with several payment channels, some of these include but not limited to the following: VISA, Mobile Money (Airtel and ZAMTEL), ZANACO Bill Muster and Over the Counter (OTC).

iii). Technical Education, Vocational and Entrepreneurship Training (TEVET) Fund

Managing the Technical Education, Vocational and Entrepreneurship Training (TEVET) Fund is among the responsibilities of TEVETA. The fund was established under the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act No. 13 of 1998 and the TEVET Amendment Act No. 11 of 2005. The fund plays an important role in assisting in developing a high quality, sustainable, demand-driven, and equitable TEVET system in the country.

The disbursement of the fund is through four windows. Three of the windows (pre-employment, in-service and SME/informal sector training) are towards recurrent financing. The other is the investment and development financing window. SME/informal sector and in-service training are however the windows being funded under TEVET Fund.

The TEVET Fund establishes financing platforms that purchase training services on a competitive basis for skills development in the formal and informal sectors. The fund finances SME/Informal sector and employer-based training. Financing of the SME/Informal sector increases sector players' participation in socio-economic development and enhances their employability and competitiveness. Employer-based training financing seeks to upgrade employees' skills and impart new skills on employees.

The fund provides for continuous improvement to access, quality and relevance of TEVET in relation

to the Seventh National Development Plan (7NDP). The 7NDP recognises TEVET as a strategic component in ensuring enhanced human capacity for sustainable national development, increased skilled persons' employability, productivity, and efficiency. It is in response to this goal that the TEVET Fund provided resources to encourage institutions to adequately offer the skills demanded by the labour market in the formal and informal sectors.

Programmes, Objectives and Strategies

The matrix below shows programmes, objectives, and strategies of the 7NDP and TEVET Fund interventions to address national development goals in the 7NDP:

No	Programmes	Objectives	Strategies	TEVET Fund Intervention
1	Enhance access to skills training	Increase access to basic skills education	Provide financing for SME and Informal Sector skills training through training providers	The TEVET Fund provided financing for training of youth SMEs and informal sector in various skills in the third quarter of the year.
2	Enhance private sector participation	Coordinate provision of skills that match skills demanded by industry/ labour market	Promote private sector/ industry participation in informal and formal sector skills development to improve the link between training and labour market requirements.	The TEVET Fund promoted collaboration with industry/ private sector in the provision of quality and relevant skills that match industry needs through financing of Employer Based Training throughout the year.
3	Enhance income opportunities for poor and marginalized groups, and enhance access to quality, equitable and inclusive education	Increase trainee absorption capacity in TEVET institutions	Promote trainee absorption capacity in TEVET institutions by providing capacity building to institutions on how to access funding	Financing to institutions through the TEVET Fund has led to an increase in the number of institutions accessing funding thus increasing the absorption capacity as more trainees are able to access training
		Enhance inclusive education and broaden access and participation to education by disenfranchised populations in remote areas	Increase skills access in rural areas	The TEVET Fund has been providing financing to training providers including those in rural parts of the country, which has led to reduction in skills inequality in the economy.
		Promote inclusiveness skills acquisition by youths lacking financial capacity	Promote skills acquisition by providing skills to SMEs and the informal sector at a subsidized cost to the trainees.	The TEVET Fund has promoted inclusiveness and has enabled youths, who are unable to pay tuition fees charged in training institutions, to have access to training.
4	Promote entrepreneurship skills training and development	Enhance decent job opportunities in the economy and promoting entrepreneurship skills training	Integrate entrepreneurship into basic skills and TEVET.	Entrepreneurship training has been integrated into the curriculum for all programmes being financed under the TEVET Fund, thereby enhancing SMEs and informal sector training.
5	Enhance role of science, technology and innovation, and improve production and productivity	Improve quality of products and services and increase innovation	Promote innovation by reskilling and up-skilling of SMEs	Reskilling of SMEs has led to increased productivity and innovation, as entrepreneurs are able to keep abreast with the latest trends in their respective industries.

Performance and progress of programmes financed by the TEVET Fund

TEVET Fund activities were implemented under two (2) operational windows, namely, Employer Based Training (Window 2) and SMEs and Informal Sector Training (window 3).

Employer – Based Training

Training proposal invitations for Employer Based Training were made every quarter in the year under review. Tripartite contracts were signed with eight (8) TEVET registered training providers and 12 employers for the implementation of Employer Based Training towards skills development in the formal sector. A total of 73 contracts were signed to train 2, 065 employees at a cost of K6, 610, 019.50. In the fourth quarter of 2021, a total of 102 proposals were received from 6 training providers and 11 employers. Successful proposals were to be implemented in 2022.

SMEs and Informal Sector Training

Two hundred and fifty-two (252) contracts were signed with 65 TEVET institutions to support training of 5, 230 SMEs and informal sector players. The training was at a cost of K15, 2167.00. The number of contracts signed reduced from 327 to 252 due to budgetary constraints. A total of 6, 180 students were enrolled compared to the target 5, 230 students.

SMEs and Informal Sector Training Enrolments per sector

The programmes that were financed were in the sectors that were in line the 7NDP as means of attaining economic diversification due to their high growth potential, comparative and competitive advantages, as well as potential for poverty reduction. The areas that were considered were construction, agriculture, tourism, manufacturing, and mining. Below is the chart presentation of the enrolments per sector:

No.	Name of Proposed Training Program	Number of beneficiaries
1	Agricultural Mechanics	30
2	Autobody Repair	44
3	Automotive Electrical	170
4	Automotive Mechanics	409
5	Bricklaying and Plastering	810
6	Carpentry and Joinery	770
7	Design, Cutting and Tailoring	894
8	Diesel Mechanics	21
9	Driving Class B	20
10	Driving Class C1	20
11	Electronic Systems Maintenance and Repair	26
12	Food Production	486
13	General Agriculture	644
14	General Hospitality	55
15	Hair Dressing and Cosmetology	52
16	Heavy Equipment Repair	25
17	Metal Fabrication and Welding	592
18	Painting, Decorating and Sign Writing	20
19	Plumbing and Sheet Metalwork	197
20	Poultry Farming	31
21	Power Electrical	750
22	Professional Driving	25
23	Refrigeration and Air Conditioning	44
24	Rigging	20
25	Water Operations	25
TOTAL		6,180

Sensitisation and Capacity Building Workshops

During the year, the TEVET Fund conducted two (2) virtual sensitization and capacity building workshops in line with proposal writing as well as implementation of TEVET Fund activities.

Section B: Financial Report

The following is a summary of the disbursements made by the TEVET Fund for the period from 1st January 2021 to 31st December 2021.

Summary of 2021 Planned Disbursements for Window 2

S/n	Month	Funding Window	Planned Disbursements for 2021	Actual Disbursements in 2021	Variance	Comment
1.	Contracts Signed in March 2021	Employer Based Training	35,000.00	NIL	35,000.00	Retention fees. Contractual obligations to be paid on submission of the contracts terminal reports and proof of payment of employer initial obligation.
2.	Contracts Signed in May 2021	Employer Based Training	1,164,191.00	81,581.25	1,082,609.75	Retention fees. Contractual obligations to be paid on submission of the contracts terminal reports and proof of payment of employer initial obligation.
3.	Contracts Signed in June 2021	Employer Based Training	704,868.75	NIL	704,868.75	Retention fees. Contractual obligations to be paid on submission of the contracts terminal reports and proof of payment of employer initial obligation.
4.	Contracts Signed in Oct 2021	Employer Based Training	850,625.00	143,006.25	707,618.75	Retention fees. Contractual obligations to be paid on submission of the contracts terminal reports and proof of payment of employer initial obligation.
		TOTAL	2,754,684.75	224,587.50	2,530,097.25	

8. CONCLUSION

The COVID-19 pandemic remained the main challenge in meeting targets set in the Plan and Budget (AW&B) in 2020. It disrupted the academic calendar, resulting into postponement of July/August examinations, among other challenges. The Authority also faced financial constraints in meeting the AW&B coupled with an increase in the number of illegal institutions as a consequence of not inspecting institutions on a regular basis. Most of the inspected training institutions were in Grade 3, which has an implication on output of TEVET in the country and ultimate the performance of the economy. In addition, reviewing curricula could not be done as planned due to limited resources and COVID-19 disruptions to processes. More resources should be invested in quality assurance, curriculum review and continuous professional development (CPD) to ensure quality and relevant TEVET provision line with the 7NDP.

9. OUTLOOK FOR 2022

Enhancing TEVET management information system (MIS) will be the priority in 2022 to improve online service provision and reduce the cost of doing business. The TEVET management information system integration will continue to be improved upon. The development of an examination question bank and operationalisation of the payment gateway will be priority in the years. The question bank system will enhance security and efficiencies in TEVET assessment. Entrepreneurship Incubation Centres (EIC) and Quality Management Systems guidelines in TEVET Institutions will be operationalised in the year. These efforts will assist training institutions to implement robust internal quality assurance systems and put in place capacity building programmes in the sector for the trainers in entrepreneurship and the trainers for the revised curricula. These interventions are aimed at improved delivery of quality training in the TEVET sector.

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The Board Members submit their report together with the audited Financial Statements for the year ended 31 December 2021, which disclose the state of affairs of the Authority.

PRINCIPAL ACTIVITIES

The principal activities of the Authority are to manage the TEVET Fund, regulate, co-ordinate and monitor technical education, vocational and entrepreneurship training in consultation with the industry, employers, employees and other stakeholders.

RESULTS

The surplus for the year of ZMW 0.165 million (2020: deficit of ZMW 5.6 million) has been added to accumulated reserves.

BOARD MEMBERS

There was no Board during the year under review. However, the responsibilities of the Board were carried out by the office of the Permanent Secretary of the Ministry of Technology and Science.

MANAGEMENT TEAM

The Management Team who served office during the year were:

Mr. Cleophas S. Takaiza	- Director General
Dr. Phillip Mubanga	- Director Finance and Administration
Mrs. Phyllis L. C. Kasonkomona	- Director Development
Mr. Ocean Matimba	- Director Assessment and Certification
Mrs. Rudo M Banda	- Director Training Standards

BOARD MEMBERS' REMUNERATION

Remuneration paid to directors during the year amounted to nil (2021: Nil)

NUMBER OF EMPLOYEES AND REMUNERATION

The total number of employees was 76 (2020:66) and remuneration of employees during the year amounted to ZMW17 million (2020: ZMW15 million)

The Authority has policies and procedures to safeguard the occupational health, safety, and Welfare of its employees.

GIFTS AND DONATIONS

During the year the Authority did not make any donations to charitable organisations and events.

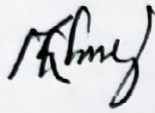
PROPERTY, PLANT AND EQUIPMENT

The Authority purchased property, plant and equipment worth ZMW3.182 million during the year (2020: ZMW 0.729 million).of which ZMW 0.287 relates to the intangible assets In the opinion of the directors, the carrying value of property, plant and equipment is not less than their recoverable value.

Auditor

The auditors, Mark Daniels, have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the Board meeting.

By order of the Board



SECRETARY

13 May 2022

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)
Statement of Board Members' Responsibilities
For the year ended 31 December 2021

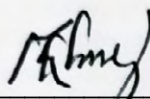
The law requires the Board Members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its surplus or deficit. It also requires the Board Members to ensure that the Authority keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

The Board Members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the law. The Board members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and of its surplus or deficit in accordance with International Financial Reporting Standards. The Board Members further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the Board Members to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.



Chairman



Board Secretary

13 May 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TEVETA MANAGEMENT BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)** which comprise the Statement of Financial position as at 31st December 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the Financial Statements give a true and fair view of the financial position of the **Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)** as at 31st December 2021 and of its financial performance and cash flows for the year ended and have been properly prepared in accordance with the International Financial Reporting Standards

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Directors and Management are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Directors and Management and Those Charged with Governance for the Financial Statements

Directors and Management are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or have no realistic alternative but to do so. Those charged with Governance are responsible for overseeing the Authority's reporting process.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TEVETA MANAGEMENT BOARD

Auditor's Responsibility for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the Authority's audit. We remain solely responsible for our audit opinion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TEVETA MANAGEMENT (CONTINUED)**

Report on other Legal and Regulatory Requirements

In our opinion, the Financial Statements of the **Technical Education, Vocational and Entrepreneurship Training Authority** as of 31 December 2021 have been properly prepared in accordance with the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act No 13 of 1998 and TEVET (amendment) Act No 11 of 2005 and Public Finance Act No 1 of 2018 and other registers have been properly kept in accordance with the Act.

Mark Daniels

**Chartered Accountants
Lusaka**

12/05/ 2022

WKKK Kasongo

Winston Kasongo AUD/F003127
Partner signing on behalf of the firm

Statement of Comprehensive Income

	Notes	2021 ZMW	2020 ZMW
Revenue	6	197,890,327	152,062,202
Expenditure			
Direct Expenses	App (i)	(174,769,210)	(127,627,677)
Administration Expenses	App (i)	<u>(22,956,199)</u>	<u>(30,092,724)</u>
Total expenses		197,725,409	157,720,401
		<hr/>	<hr/>
Surplus/(deficit) for the year		164,918	(5,658,199)
		<hr/>	<hr/>

There were no items of other comprehensive income

Statement of Financial Position

	Notes	31 December 2021 ZMW	31 December 2020 ZMW
Non-Current Assets			
Property, Plant and Equipment	8	46,995,436	45,826,076
Intangible Assets	9	286,510	-
		<u>47,281,946</u>	<u>45,826,076</u>
Current assets			
Inventories	10	853,871	893,630
Receivables	11	81,263,379	95,773,061
Cash and Cash Equivalents	12	24,892,661	10,900,988
		<u>107,009,911</u>	<u>107,567,679</u>
Total assets		<u>154,291,857</u>	<u>153,393,755</u>
Accumulated Funds and Liabilities			
Capital Grant		42,914,457	42,914,457
Accumulated Funds		46,779,755	46,614,836
		<u>89,694,212</u>	<u>89,529,293</u>
Non-current Liabilities			
Deferred Income	13	2,663,423	1,086,365
Current Liabilities			
Trade and other payables	14	61,934,222	62,778,097
Total Liabilities		<u>64,597,645</u>	<u>63,864,462</u>
Total Accumulated Funds and liabilities		<u>154,291,857</u>	<u>153,393,755</u>

The financial statements on pages 7 to 27 were approved for issue by the board of directors on 13 May 2022 and signed on its behalf by:



Chairman



Board Secretary

Statement of Changes in Funds

	Capital grant ZMW	Accumulated funds ZMW	Total ZMW
Year ended 31st December 2020			
At start of year	42,914,457	52,831,329	95,745,786
Prior year adjustment (note 16)		201	201
Restated balance	42,914,457	52,831,530	95,745,987
Comprehensive income			
Deficit for the year		(5,658,199)	(5,658,199)
At 31st December 2020	42,914,457	47,173,331	90,087,788
Year ended 31st December 2021			
At start of year	42,914,457	47,173,331	90,087,788
Prior year adjustment (note 16)		(558,494)	(558,494)
Restated balance	42,914,457	46,614,837	89,529,294
Comprehensive income			
Surplus for the year	-	164,918	164,918
At 31st December 2021	42,914,457	46,779,755	89,694,212

Statement of Cash Flows

		Year ended 31 December	
		2021	2020
		ZMW	ZMW
Cash flow from operating activities			
Surplus/(deficit) for the year		164,918	(5,658,199)
Adjustment for Non-Cash items			
Prior year adjustment		-	201
Interest income		(830,119)	(323,118)
Depreciation		1,725,983	2,205,276
Amortisation of intangible assets		-	15,958
Changes in Working Capital			
Decrease/(Increase) in Inventories		39,759	(160,866)
Decrease in Receivables		14,509,682	44,535,635
Decrease in other Payables		(843,875)	(40,015,125)
Net cash generated from operating activities		14,766,348	599,762
Cashflow from investing activities			
Interest Income		830,119	323,118
Purchase of property, Plant and Machinery	8	(2,895,344)	(729,286)
Purchase of intangible assets	9	(286,510)	-
Net cash used on investing activities		(2,351,735)	(406,168)
Cashflow from financing activities			
Increase in deferred income		1,577,060	418,065
Net Cash Inflows from financing activities		1,577,060	418,065
Increase in cash and cash equivalents		13,991,673	611,659
Movement in cash and cash equivalents			
Cash and cash Equivalents at the beginning of the year		10,900,988	10,289,329
Increase during the year		13,991,673	611,659
Cash and Cash Equivalents at the end of the year	12	24,892,661	10,900,988

Notes

1 General information

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) was established under the Technical Education Entrepreneurship Training (TEVET) Act No 13 of 1998, as amended by the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No 11 of 2005.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2021

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2021.

Title	Key requirements	Effective date*
<i>Covid-19-related Rent Concessions – Amendments to IFRS 16</i>	<p>As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.</p> <p>Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.</p> <p>* The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.</p> <p>If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment.</p> <p>However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.</p>	1 June 2020/ 1 April 2021 *
<i>Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</i>	<p>In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.</p> <p>The Phase 2 amendments provide the following reliefs:</p>	1 January 2021

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2021 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2021

Title	Key requirements	Effective date*
Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (continued)	<ul style="list-style-type: none"> When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing the transition. <p>Given the pervasive nature of IBOR-based contracts, the reliefs could affect organisations in all industries.</p>	1 January 2021

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(b) Forthcoming requirements

As at 30 June 2021, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2021.

Title	Key requirements	Effective date*
IFRS 17 Insurance Contracts	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> discounted probability-weighted cash flows an explicit risk adjustment, and a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.</p> <p>Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.</p>	1 January 2023 (deferred from 1 January 2021)
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	<p>The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.</p> <p>Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.</p>	1 January 2022

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(b) Forthcoming requirements (continued)

As at 30 June 2021, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2021.

Title	Key requirements	Effective date*
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: <ul style="list-style-type: none"> IFRS 9 <i>Financial Instruments</i> – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. IFRS 16 <i>Leases</i> – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. IAS 41 <i>Agriculture</i> – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis. 	1 January 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 <i>Presentation of Financial Statements</i> clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> .	1 January 2023 (deferred from 1 January 2022)

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(b) Forthcoming requirements (continued)

As at 30 June 2021, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2021.

Title	Key requirements	Effective date*
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their <i>material</i> rather than their <i>significant</i> accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 <i>Making Materiality Judgements</i> to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 <i>Income Taxes</i> require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: <ul style="list-style-type: none">• right-of-use of assets and lease liabilities, and• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	1 January 2023

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(b) Forthcoming requirements (continued)

As at 30 June 2021, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2021.

Title	Key requirements	Effective date*
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	<p>The IASB has made limited scope amendments to IFRS 10 <i>Consolidated financial statements</i> and IAS 28 <i>Investments in associates and joint ventures</i>.</p> <p>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 <i>Business Combinations</i>).</p> <p>Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p>	n/a **

Notes (Continued)

3 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Zambian Kwacha (ZMW).

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Revenue recognition

The Authority recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the TEVETA and when specific criteria have been met for each of the Authority's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved. TEVETA bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rendering of services

Services rendered are recognised when the service provided is complete as the outcome of the transaction can be estimated reliably and it is not probable that the costs incurred will be recovered.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

(c) Functional currency and translation of foreign currencies

Transactions are recorded on initial recognition in Zambia Kwacha, being the currency of the primary economic environment in which the Authority operates (the functional currency). Transactions in foreign currencies are converted into Zambia Kwacha using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income and expenditure account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income and expenditure account within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income and expenditure account within 'other (losses)/gains – net'.

Notes (Continued)

3 Summary of significant accounting policies (continued)

(d) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Buildings and freehold land are subsequently shown at market value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income and expenditure account during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the income and expenditure account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts less their residual values over their estimated useful lives, as follows:

Land and buildings	2%
Computer equipment	25%
Motor vehicles	25%
Furniture and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are considered in determining profit. On disposal of revalued assets, amounts in the revaluation surplus account relating to that asset are transferred to retained earnings.

Notes (Continued)

3 Summary of significant accounting policies

(e) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income and expenditure account.

(f) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(g) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income and expenditure account over the period of the borrowings.

Borrowings are classified as current liabilities unless TEVETA has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(i) Employee benefits

(i) Retirement benefit obligations

The Authority operates a defined contribution retirement benefit scheme for all employees. The Authority and all its employees contribute to the National Pension Scheme Fund, which is a defined contribution scheme. The Authority pays Gratuity to its employees at the end of every employee's contract.

The Authority's contributions to the defined contribution schemes are charged to the income and expenditure account in the year in which they fall due.

(ii) Other entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

Notes (Continued)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Receivables

Critical estimates are made by the Board in determining the recoverable amount of impaired receivables.

(ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Authority's accounting policies, management has made judgements in determining:

- the classification of financial assets
- whether assets are impaired.

5 Financial risk management objectives and policies

The Authority's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Authority does not hedge any risks.

(i) Fair Value Risk

Fair value is the amount at which assets and liabilities can be exchanged in a current transaction between willing parties, other than in a forced liquidation, and is best evidenced by a quoted market price, where one exists.

The estimated fair values of assets and liabilities have been determined by the Authority using available market information and appropriate valuation methodologies. However, judgement is required to interpret market data to estimate fair values. Accordingly, the estimates are not necessarily indicative of the amounts the Authority could realise in a current market exchange. The carrying amounts of the assets and liabilities approximate their fair values.

ii) Credit Risk

The exposure to credit risk is monitored on an on-going basis. Reputable financial Institutions are used for investing and cash handling purposes.

Investments are allowed only in liquid securities and management does not expect to fail

Notes (Continued)

5 Financial risk management objectives and policies (continued)

(iii) Operational Risk

Certain policies, procedures and limits are properly documented in each department within the Authority and updated occasionally to take account of the changes to internal controls, procedures and limits. Management endeavours to continuously update policies and procedures.

(iv) Strategic Risk

The Authority's strategic plan is comprehensive in all aspects with particular emphasis on compliance with legal and market conditions and senior management effectively communicates the plan to all staff levels and allocates resources in line with the laid down objectives.

(v) Interest Risk

The Authority is exposed to interest rate risk to the extent of the balance of any loans and bank overdrafts taken and outstanding.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Authority's liquidity reserve on the basis of expected cash flow.

Capital management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide returns for stakeholders.

Notes (Continued)

	2021 ZMW	2020 ZMW
6 Revenue		
Accreditation Fees	1,935,600	1,719,533
Bank Interest	830,119	323,118
Examination Fees	19,330,357	7,252,230
Enrolment Fees	7,650	-
Exchange Gain	2,138,501	-
GRZ Grants – Examinations	-	999
GRZ Grants – Operations	8,364,636	8,364,614
TEVET Fund Grant – GRZ	-	99,999
Other Income	3,299,429	1,674,719
Registration Fees	884,866	420,083
SDF/TEVET	160,744,809	132,205,507
Sale of manuals	600	1,400
World Skills	353,760	-
	197,890,327	152,062,202

7 Expenses by nature

The following items have been charged in arriving at the deficit for the year.

Amortisation of intangible assets	-	15,958
Audit fees	92,800	103,590
Depreciation on property, plant and equipment	1,725,983	2,205,276

Notes (Continued)

8. Property, Plant and Equipment

	Land & Buildings ZMW	Motor Vehicles ZMW	Office Equipment ZMW	Furniture & Fittings ZMW	Computer Equipment ZMW	Capital Work- In-Progress ZMW	Total ZMW
At 1 January 2020							
Cost	321,106	8,387,392	3,150,189	1,103,001	2,064,846	42,769,678	57,796,212
Accumulated depreciation	(50,041)	(5,381,018)	(2,228,849)	(935,098)	(1,340,645)	-	(9,935,651)
Net book value	271,065	3,006,374	921,340	167,903	724,201	42,769,678	47,860,561
Year ending 31 December 2020							
Opening net book value	271,065	3,006,374	921,340	167,903	724,201	42,769,678	47,860,561
Additions	-	-	71,250	92,111	565,925	-	729,286
Depreciation	(6,422)	(1,325,075)	(427,243)	(71,240)	(375,296)	-	(2,205,276)
Closing net book value	264,643	1,681,299	565,347	188,774	914,830	42,769,678	46,384,571
At 31 December 2020							
Cost	321,106	8,387,392	3,221,439	1,195,112	2,630,771	42,769,678	58,525,498
Accumulated depreciation	(56,463)	(6,706,093)	(2,656,092)	(1,006,338)	(1,715,941)	-	(12,140,927)
At 31 December 2020	264,643	1,681,299	565,347	188,774	914,830	42,769,678	46,384,571

Notes (Continued)

8. Property, Plant and Equipment

	Land & Buildings ZMW	Motor Vehicles ZMW	Office Equipment ZMW	Furniture & Fittings ZMW	Computer Equipment ZMW	Capital Work- In-Progress ZMW	Total ZMW
Year ending 31 December 2021							
Opening net book value	264,643	1,681,299	565,347	188,774	914,830	42,769,678	46,384,571
Prior year adjustment	-	(558,495)	-	-	-	-	(558,495)
Restated balance	264,643	1,122,804	565,347	188,774	914,830	42,769,678	45,826,076
Additions	-	1,542,111	494,362	56,650	802,220	-	2,895,343
Disposals	-	(731,575)	-	-	-	-	(731,575)
Disposal-depn	-	731,575	-	-	-	-	731,575
Depreciation	(6,422)	(760,966)	(399,375)	(69,983)	(489,237)	-	(1,725,983)
Closing net book value	258,221	1,903,949	660,334	175,441	1,227,813	42,769,678	46,995,436
At 31 December 2021							
Cost	321,106	8,639,433	3,715,801	1,251,762	3,432,991	42,769,678	60,130,771
Accumulated depreciation	(62,885)	(6,735,484)	(3,055,467)	(1,076,321)	(2,205,178)	-	(13,135,335)
At 31st December 2021	258,221	1,903,949	660,334	175,441	1,227,813	42,769,678	46,995,436

The disposals during the year relate to two motor vehicles sold to two Directors in line with their conditions of service.

Notes (Continued)

	2021	2020
	ZMW	ZMW
9 Intangible assets		
At start of the year	-	15,958
Additions	286,510	
Amortisation	-	(15,958)
	<u>286,510</u>	<u>-</u>
At end of the year	<u>286,510</u>	<u>-</u>

The intangible asset represents the cost of software that is amortised over the useful life of the asset.

	2021	2020
	ZMW	ZMW
10 Inventory		
Consumables	<u>853,871</u>	<u>893,630</u>
11 Trade and other receivables		
Trade debtors	5,823,435	4,797,360
Revenue Grant Receivable	13,060,095	13,060,095
Skills Development Levy Receivable	71,918,479	90,031,138
Staff	472,604	944,563
Other Debtors	3,048,861	
Provision for doubtful debts	<u>(13,060,095)</u>	<u>(13,060,095)</u>
	<u>81,263,379</u>	<u>95,773,061</u>

The Revenue Grant Receivable represents amounts of approved Grants that were not remitted to TEVETA by Ministry of Finance. As time passes without them being remitted it reduces the possibility of Grants being received, hence the provision of the same amounts as Doubtful Debts in full.

	2021	2020
	ZMW	ZMW
12 Cash and cash equivalents		
Cash at bank and on hand	<u>24,892,661</u>	<u>10,900,988</u>
	<u>24,892,661</u>	<u>10,900,988</u>

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following:

Cash and bank balances as above	24,892,661	10,900,988
Bank overdraft	<u>-</u>	<u>-</u>
	<u>24,892,661</u>	<u>10,900,988</u>

Notes (Continued)

	2021	2020
	ZMW	ZMW
13 Deferred Income		
Deferred income	<u>2,663,423</u>	<u>1,086,365</u>
	<u>2,663,423</u>	<u>1,086,365</u>

The deferred income relates to the two thirds of the Institutional Registration fees and Accreditation fees for Trainers, Assessors and Examiners which will be amortised equally in the subsequent two years.

14 Trade and other payables		
Trade payables	47,277,139	50,286,847
Employees related accruals	<u>14,657,083</u>	<u>12,491,250</u>
	<u>61,934,222</u>	<u>62,778,097</u>

The carrying amounts of the above payables and accrued expenses approximate to their fair values

15 Related party transactions

The following transactions were carried out with related parties:

(i) GRZ

The Authority received all Operations Grants from the Government of ZMW 8,364,636 during the year under review.

(ii) Key management compensation

Salaries and other short-term employment benefits for Directors and Managers	10,157,088	4,790,463
	<u>10,157,088</u>	<u>4,790,463</u>

(iii) Directors' remuneration

Fees for services as a director	-	-
Salary and other benefits (included in(ii) above)	<u>3,867,486</u>	<u>3,530,752</u>
	<u>3,867,486</u>	<u>3,530,752</u>

Notes (Continued)

	2021 ZMW	2020 ZMW
16. Prior year adjustment		
Motor Vehicles-Transfer	(558,494)	-
Others	-	201
	<u>(558,494)</u>	<u>201</u>

Prior year adjustment relates to the transfer of vehicles to the Ministry of Technology and Science.

17. Contingent liabilities

There were no contingent liabilities as at the balance sheet date amounting to 7

18. Capital commitments

	2021 ZMW	2020 ZMW
Capital expenditure contracted at the end of the reporting period but not yet incurred:	<u>286,396</u>	<u>1,498,000</u>

19. Events subsequent to balance sheet date

There has not arisen since the end of the Financial Year any item, transactions or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect substantially the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

20. Comparative figures

Comparative figures are restated where necessary to afford a reasonable comparison.

		Appendix i
Detailed Operating Statement		
	2021	2020
	ZMW	ZMW
Revenue	<u>197,890,327</u>	<u>152,062,202</u>
Direct Expenses		
Training Standards Expenses	6,008,666	4,450,952
Development Expenses	6,217,416	5,377,331
Assessment and Certification Expenses	24,520,054	13,884,701
TEVET Fund/SDF Expenses	<u>138,023,074</u>	<u>103,914,693</u>
Total Direct Expenditure	<u>174,769,210</u>	<u>127,627,677</u>
Less:		
Administration costs	<u>22,956,199</u>	<u>30,092,724</u>
Surplus/(deficit) for the year	<u>164,918</u>	<u>(5,658,199)</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
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	2021 ZMW	2020 ZMW
Training standards expenses		
Analyse performance and improve entrepreneurship clubs	467,056	-
Appraisal bonus	47,491	53,325
Basic pay	2,047,776	1,663,613
Cleaning expenses	7,384	6,983
Computer insurance	-	2,092
Conduct inspections	731,746	446,427
Continuously improve guidelines and procedures	83,711	-
Electricity expenses	21,643	21,330
Facilitate training for entrepreneurship	2,400	-
Foreign boards exam – media	4,500	17,589
Formation of organising committees	17,508	-
General expenses	60,810	27,155
Gratuity	472,764	448,710
Group life assurance	26,713	26,508
Housing allowance	325,408	306,418
Institutional registration	-	1,500
Inspect new TEVET applicants	24,568	48,099
Inspect work based training/OFL	810	-
Internet services	102,136	72,789
Leave travel benefit	115,634	252,683
Leave expenses	117,333	124,369
Medical expenses	385,776	283,877
Motor vehicle expenses	252,987	223,718
Motor vehicle insurance	42,876	31,428
Monitor and evaluate curricular	37,045	-
NAPSA	81,339	79,703
National Health Insurance Scheme	14,841	12,933
Office refreshments	4,310	6,147
Postage expenses	280	1,949
Print and publish guidelines and facilitate implementation	6,300	14,850
Promote centres of excellence	15,361	-
Repairs and maintenance – general	9,600	10,107
Repairs and maintenance – office equipment	2,953	9,938
Research BP in institutional Mgt	14,432	-
Staff development	77,665	-
Stationery and consumables	101,201	47,972
Security services	27,562	27,562
Telephone expenses	119,994	37,264
Transport allowance	130,273	143,914
Workers compensation	6,480	-
	6,008,666	4,450,952

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	2021 ZMW	2020 ZMW
Development expenses		
Appraisal bonus	88,841	70,930
Approve curricular	358,840	465,119
Basic pay	1,705,558	1,426,679
Cleaning expenses	7,750	9,028
Coordinate and promote TEVET skills competition	-	2,596
Conduct evaluation of ODFL training materials	8,096	-
Computer insurance	-	2,092
Conduct skills demand and gap survey	-	6,300
Curricular guideline development	-	214,631
Develop new curriculum package	4,000	94,498
Develop new job profile	(1,979)	19,549
Develop qualification descriptor – curriculum	253,950	-
Electricity expenses	21,643	21,330
Evaluate curricular for approval	7,435	-
Fuel allowance	270,000	197,801
General expenses	53,150	33,466
Gratuity	486,715	449,866
Group life assurance	26,713	26,508
Housing allowance	320,278	259,547
Internet services	102,869	72,789
Leave	90,769	83,108
Learning materials	16,770	137,982
Leave travel benefit	229,341	312,091
Logistics support	3,023	20,264
Medical expenses	367,853	311,245
Motor vehicle expenses	198,448	172,430
Motor vehicle insurance	42,876	31,428
NAPSA	92,459	90,072
National Health Insurance Scheme	14,718	14,172
Organisation of support events	2,650	8,400
Office refreshments	6,175	9,991
O DFL Guideline promotion	20,546	80,354
Postage expenses	2,577	1,949
Promote, facilitate and monitor RPL	285,565	-
Repairs and maintenance – General	10,100	10,107
Repairs and maintenance – office equipment	2,953	15,580
Review curricular	360,173	391,960
Security services	27,562	27,562
Settling allowance	-	10,857
Staff relocation	-	27,170
Stationary and consumables	30,003	47,392
Stakeholder sensitisation	31,270	21,850
Telephone charges	121,087	37,264
Track, monitor & facilitate TEVET Graduates	-	12,769
Transport allowance	132,206	106,616
Validate curricular	201,822	16,579
Workers compensation	6,480	-
World skills expenses	206,131	5,410
	6,217,416	5,377,331

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	2021 ZMW	2020 ZMW
Assessment and certification expenses		
Administer practical exams	3,157,390	542,700
Appraisal bonus	153,934	92,415
Basic pay	3,007,696	2,454,818
Cleaning expenses	7,621	7,811
Computer insurance	-	2,092
Continuous assessment verification	3,355	-
Conduct RPL Assessment	6,340	-
Electricity expenses	21,643	21,330
Exam delivery, monitoring and collection	1,754,886	798,364
Fuel allowance	270,000	517,264
General expenses	258,344	138,184
Gratuity	1,002,459	845,614
Group life assurance	26,713	26,508
Housing allowance	590,530	515,841
Internet services	104,361	75,139
Leave	145,821	181,633
Leave travel benefit	449,220	445,047
Marking	4,990,655	1,460,405
Medical expenses	381,989	269,544
Moderate trade test assessment	-	1,500
Moderate exam papers	2,750	-
Motor vehicle expenses	196,432	189,219
Motor vehicle insurance	42,876	31,428
NAPSA	162,826	159,380
National Health Insurance Scheme	26,807	25,849
Office refreshments	27,596	15,903
Panel setting	3,098,294	1,662,295
Postage expenses	7,017	3,984
Practical assessment	-	7,050
Printing exams and assessments	189,252	70,777
Print and procure answer booklets	367,366	-
Printing and distributing certificates	7,336	3,258
Procure certificates	391,911	1,907,938
Relocation expenses	10,066	30,520
Repairs and maintenance – general	43,101	12,111
Repairs and maintenance – office equipment	3,598	43,986
Stationary and consumables	1,389,286	460,055
Setting exams	1,664,480	11,200
Settling allowance	-	3,031
Security services	22,968	27,562
Telephone charges	175,631	37,265
Transport allowance	262,834	251,738
Type setting	-	3,253
Training of assessors, trainers and invigilators	88,190	530,690
Workers compensation	6,480	-
	24,520,054	13,884,701

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
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	2021 ZMW	2020 ZMW
Administration costs		
Acting allowance	3,568	-
Administer and maintain IT Systems	1,932,184	782,244
Advertising	88,030	57,928
Annual report production	-	47,000
Basic pay	4,648,372	4,496,744
Bank charges	88,645	84,135
Branded promotional activities of TEVET	60,175	-
Bonus appraisal	398,429	299,743
Cleaning expenses – FA	48,267	41,801
Cleaning expenses – HR	45,881	34,221
Cleaning expenses – PU	11	93
Computer insurance	2,784	2,092
Depreciation	1,725,983	2,221,234
Director general expenses	5,838	2,500
Electricity expenses	21,643	21,330
External audit expenses	92,800	103,530
Facilitate TEVET conferences and skills competition	68,757	-
Facilitate bids/tender and evaluation	31,530	14,817
Facilitate procurement committee meetings	42,748	-
Facilitate stakeholder forum	85,322	-
General administration	-	768
General expenses	311,666	221,707
Gratuity	1,515,480	1,401,855
Group life assurance	26,704	26,507
Housing allowance	997,400	804,287
Health awareness and improvement	15,030	58,464
Implementation and monitoring of statutory procurement plan	6,998	-
Insurance furniture	1,813	-
Internet services	107,978	82,829
Labour day celebrations	24,000	22,100
Leave	376,250	434,673
Leave travel benefit	648,222	921,819
Medical expenses	446,646	388,283
Motor vehicle expenses	260,297	264,036
Motor vehicle insurance	42,876	31,428
Motor vehicle replacement allowance	517,000	357,956
NAPSA	239,039	232,279
National Health Insurance Scheme	39,026	34,224
Newsletter production and distribution	65,540	-
Office refreshments – FA	19,918	17,078
Office refreshments – PU	1,644	2,502
Office refreshments - Audit	1,934	1,640
Office refreshments – DG	10,637	9,518
Office refreshments – HR	7,628	8,905
Organise support events	1,747	-
Other expenses	64	14,834
Balance carried forward	15,076,494	13,547,104

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
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	2021 ZMW	2020 ZMW
Administration costs (continued)		
Balance brought forward	15,076,494	13,547,104
Participation in regional conferences	-	36,672
Postage expenses	30	6,430
Printing calendars and dairies	262,783	59,595
Provision for bad debt	-	2,091,160
Recruitment	32,218	32,140
Regular and special meetings	54,694	174,287
Repairs and maintenance – General	78,491	31,163
Repairs and maintenance – Office equipment	22,853	65,884
Review and update IEC Strategy	197,190	-
Review and update strategic plan	249,010	244,370
SDF Operations	-	9,140
Screen and evaluate suppliers registration	58,564	21,100
Settling in allowance	26,172	6,184
Security services	27,562	27,562
Staff training and development	376,836	237,460
Stakeholder forum	-	6,795
Stationary and consumables - FA	114,845	89,164
Stationary and consumables - PU	12,899	8,594
Stationary and consumables – DG	16,586	23,957
Stationary and consumables – Audit	11,196	16,762
Stationary and consumables – HR	7,932	5,431
Stock adjustment	46	27,310
Stock variance	(11,922)	-
Systems guidelines	3,355	-
Subscription	870	2,350
Telephone expenses	244,614	63,329
Transport allowance	450,822	397,932
Women day celebrations	-	42,490
Workers compensation	6,480	-
Windows 3 training follow up	-	900
Administration costs-finance	17,320,620	17,275,265
Administration costs-TEVET Fund		
Operations expenses	2,659,068	1,939,305
Bank charges	50,362	31,517
	2,709,430	1,970,822
Administration costs-SDF		
Operations expenses	2,855,632	1,447,829
Exchange Loss	-	9,357,278
Bank charges	70,517	41,530
	2,926,149	10,846,637
Total administration costs	22,956,199	30,092,724

Appendix ii

TEVETA Comprehensive Income and Expenditure without SDF/TEVET Fund

		2021 ZMW	2020 ZMW
Revenue	Appendix iii	52,148,998	32,314,923
Expenditure			
Direct Expenses	Appendix iii	(36,746,135)	(10,865,042)
Administration Expenses	Appendix iii	(17,320,621)	(30,125,069)
Deficit for the year		(1,917,758)	(8,675,188)

SDF/TEVET Fund Comprehensive Income and Expenditure

		2021 ZMW	2020 ZMW
Revenue	Appendix vi	190,139,412	158,997,279
Expenditure	Appendix vi	(190,124,924)	(156,085,682)
Surplus for the year		14,488	2,911,597

TEVETA Detailed Income and Expenditure without SDF/TEVET Fund

Appendix iii

	2021 ZMW	2020 ZMW
Income		
Accreditation Fees	1,935,600	1,719,533
Bank Interest	38,070	15,741
Examination Fees	19,330,357	7,252,230
GRZ Grant – Examinations	-	999
GRZ Grant – Operations	8,364,636	8,364,614
Other Income	2,799,975	291,723
Registration Fees	884,866	420,083
Skills Development Fund Support	15,500,000	14,250,000
Sales of Manuals	600	
TEVET Fund Administration Fees	2,933,483	-
World Skills Zambia Income	353,761	-
Enrolment Fees	7,650	
	52,148,998	32,314,923
Direct Expenses		
Training Standards Division Activities	6,008,665	4,450,952
Curriculum Development Division Activities	6,217,416	5,377,331
Assessment and Certification Division Activities	24,520,054	13,884,701
TEVETA Fund		
Total Direct Expenses	36,746,135	23,712,984
Finance and Administration Expenses	17,320,621	17,275,265
Deficit	(1,917,758)	(8,673,326)

SKILLS DEVELOPMENT FUND RECEIPTS AND PAYMENTS

Appendix v

	2021 ZMW	2020 ZMW
Receipts		
Opening Balance 01/01/2021	876,730.65	1,713,415
Skills Development Fund Funding during the year	178,857,468	172,319,057
Other income		300,119
Bank interest	465,171.56	109,941
Total Amount of Income	<u>180,199,370</u>	<u>174,442,532</u>
Payments		
Direct Expenses		
Human Resource Development	4,118,223	
Employer Based Training	18,253,875	6,552,226
Equipment Purchase for Institutions	20,908,799	87,228,013
Informal Sector/ SME Training	15,500,000	7,564,600
Infrastructure Development	21,390,204	18,269,927
Pre-Employment Window	77,601,072	32,689,181
System Development	19,241,815	19,887,351
Total Direct Expenses	<u>177,013,988</u>	<u>172,191,298</u>
Administrative Expenses		
Monitoring and Evaluation	1,959,627	573,082
Operational Costs	966,522	801,422
	<u>2,926,149</u>	<u>1,374,504</u>
Total Expenses	<u>179,940,137</u>	<u>173,565,802</u>
Closing Balance as at 31 December 2021	<u>259,233</u>	<u>876,730</u>

All the allocated amount of ZMW 178,857,468 for skills development fund for 2021 approved by Parliament was received

TEVET Fund / SDF analysis

Appendix VI

	SDF	TEVET	Total
I INCOME			
GRZ Grant - TEVET Bursary			
GRZ Grant - TEVET Fund			
Skills Development Levy	160,744,809	25,964,600	186,709,409
Exchange Gain	2,138,501		2,138,500
Other Income-Forfeited Contract Amounts		499,454	499,454
Bank Interest	465,172	326,877	792,049
	<u>163,348,481</u>	<u>26,790,931</u>	<u>190,139,412</u>
ii DISBURSEMENTS			
Employer Based Training	8,709,125	2,779,135	11,488,260
Investment & Development	59,547,535	2,886,203	62,433,738
Informal Sector/SME training	14,564,600	15,468,193	30,032,793
Pre-Employment Window	77,601,072	-	77,601,072
	<u>160,422,332</u>	<u>21,133,531</u>	<u>181,555,863</u>
iii ADMINISTRATIVE EXPENSES			
Operational Expenses	2,855,632	2,659,068	5,514,700
Bank Charges	70,517	50,362	120,879
Exchange loss			
Management fees		2,933,483	2,933,483
	<u>2,926,149</u>	<u>5,642,913</u>	<u>8,569,062</u>
Total expenses	<u>163,348,481</u>	<u>26,776,444</u>	<u>190,124,925</u>
Surplus	<u>-</u>	<u>14,487</u>	<u>14,487</u>

The Skills Development Levy includes a recognition of a grant receivable of ZMW 11,887,341 which is yet to be remitted by Government.

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