



Technical Education, Vocational and Entrepreneurship Training Authority



ANNUAL REPORT 2023



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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

2.0. REGISTERED OFFICE

The Technical Education, Vocational and Entrepreneurship Training Authority
(TEVETA)

Plot No. 4751 Birdcage Walk, Longacres
Private Bag RW16X Lusaka-Zambia

3.0. 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

4.0. AUDITORS

Mark Daniels

BOARD MEMBERS



Mrs. Ngoza C. Nkwabilo
Zambia Federation of Employers
(ZFE)
CHAIRPERSON



Mr. Charles Musenge
Private Sector
Vice Chairperson



Mr. Cyprian Mayamba
Ministry of Labour and Social
Security
Member



Dr. Twambo Hachibomba
University of Zambia (UNZA)
Member



Mr. Guest Mugala
National Science Technology
Council (NSTC)
Member



Mrs. Lillian Chikoti
Zambia Chamber of Commerce
and Industry (ZACCI)
Member



Mrs. Linda Moono
Zambia Chamber of Small and
Medium Business Associations
(ZCSMBA)
Member



Bishop, Rev. Dr. Namuhumba
Zambia Conference of
Catholic Bishops
Member



Mr. Lameck Kashiwa
Zambia Congress of Trade Union
(ZCTU)
Member



Mr. Victor Kachabe
Ministry of Technology
and Science
Member



Mr. Festone Mtonga
Ministry of Education
Member



Mr. Cleophas Takaiza
Director General
Secretary

6.0. TEVETA MANAGEMENT



Mr. Cleophas Takaiza
Director General



Mrs. Rudo Banda
Director
Training Standards Division



Dr. Phillip Mubanga
Director Finance Division



Mr. Ocean Matimba
Director
Assessments & Certification Division



Mrs. Phyllis Kasonkomona
Director Development Division

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.

The premium placed on skills development by Government for job and wealth creation resulted into high demand for TEVET services 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 60.9% 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 412 training institutions on the TEVETA register of training institutions as at December 31 2023. This is the highest number of registered institutions the Authority has ever recorded.

However, most of the institutions (82.5%) were along the line of rail. The concentration of training institutions along the line of rail leads to rural-urban migration in search of training opportunities. The situation has also affected the implementation of Constituency Development Fund (CDF) skills bursary in rural constituencies. This presents an opportunity to accredit secondary schools with relevant equipment and human resources to offer vocational training for youth sponsored under the Constituency Development Fund.

In the year under review, 17 curricula were developed and 21 were reviewed in line with labour market needs. Learning materials in Open, Distance and Flexible Learning (ODFL) were developed for Level 4 Certificate in Automotive Mechanics and Paralegal Studies.

A total of 104,151 learners were registered for TEVET assessments and examinations in 2023 compared to 85,235 in 2022. This is attributed to the fact that more schools under Secondary School Vocational Education and Training (SSVET) registered their candidates to sit for 2023 examinations and Government sponsorship under Constituent Development Fund (CDF) and TEVET Fund using proceeds from the Skills Development Levy. The overall pass rates for 2023 were according to the level of qualifications. At ZQF Level 6, the pass rate was 87.52%, at ZQF Level 5 it was 85.01% whilst at ZQF Level 4 it was 88.12%. At Trade Test Level III, the pass rate was 86.14%, at Trade Test Level II it was 82.20% and Trade Test Level I it was 88.47%.

TEVET Fund disbursements towards continued improvement to access, quality and relevance of TEVET in line with the Eighth National Development Plan (8NDP) were made in the year. The TEVET Fund activities were implemented under Employer Based Training and SMEs and Informal Sector Training. A total 28 employers signed contracts to train 2,853 employees for more than K26 million. Six hundred and fifty-nine (659) contracts were signed with TEVET institutions to support training of 15,613 students in the SMEs and Informal Sector. The training was more than K47 million.

TEVETA remains grateful to the Government of the Republic of Zambia and other

8. OPERATIONAL REVIEW BY THE DIRECTOR GENERAL

8.1 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;
- l) 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

8.2 GOVERNANCE

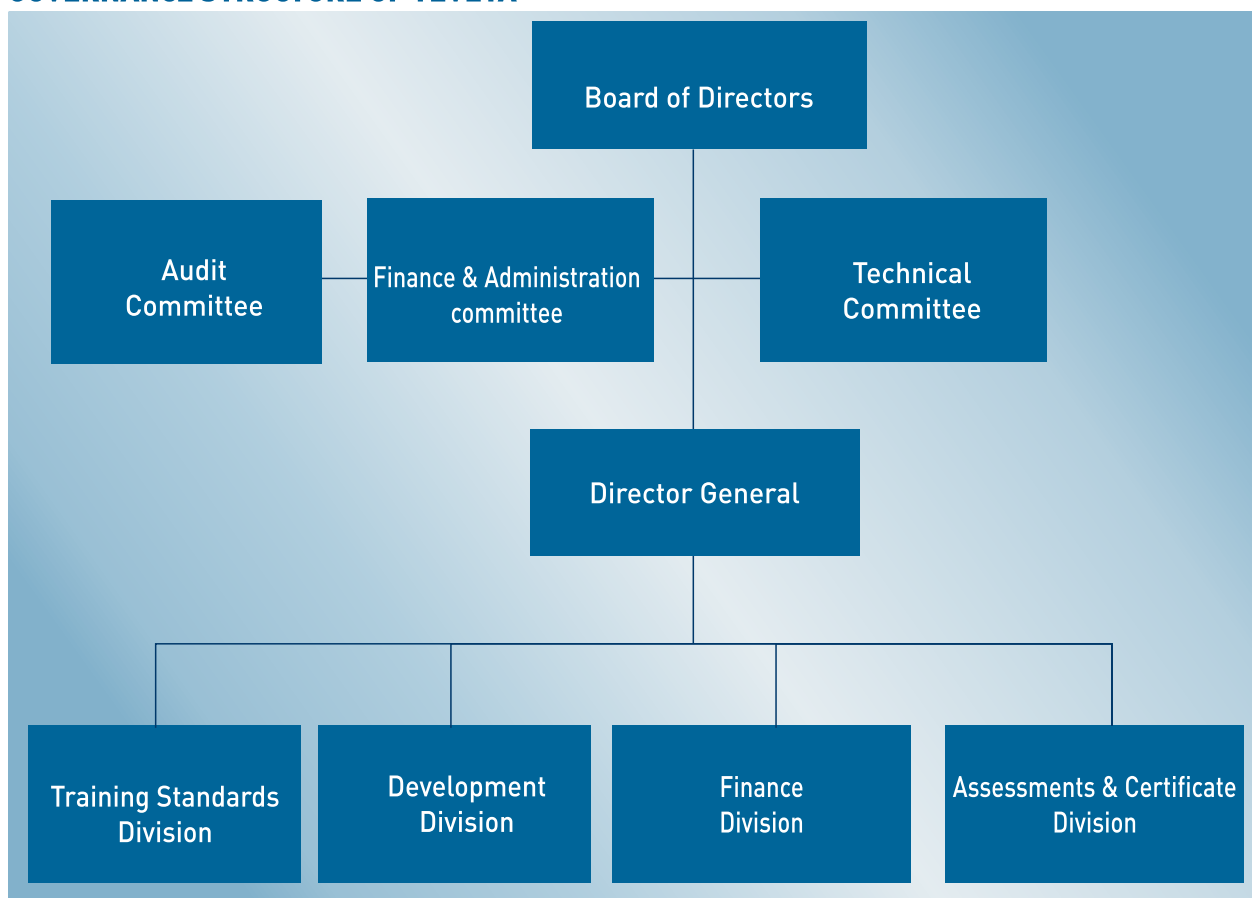
TEVETA is governed by a Board of Directors appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

- 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



8.3 THE ROLE OF TEVETA

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

The annual report covers the activities carried out by the Authority during the implementation of the 2023 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:

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

8.3.1 TRAINING STANDARDS DIVISION

In 2023, TEVETA continued to ensure compliance to the set quality standards in learning processes and environments through:

- (a) inspection and registration of training institutions;
- (b) accreditation of Trainers, Examiners, Assessors;
- (c) provision of training provider support services for continuous improvement in training institutions;

- (d) facilitation of continuous professional development of the personnel in the TEVET sector; and
- (e) promotion of entrepreneurship training in the TEVET sector.

The following are the achievements that were made in the year:

(i) Registration and inspection of training institutions

In the year under review, inspections were conducted for both existing and new institutions to ensure registered institutions under TEVETA were complying to the set training standards. One Hundred and Twenty -four (124) applications were received from institutions that were applying to offer TEVET training. Fifty-one (51) applications were re-submitted, bringing the total number of applications processed in the year to One Hundred and Seventy-five (175). Of these applications, eighty-nine (89) institutions were successfully granted registration status while the remaining institutions were not. This gave a success rate of 50.9%.

In addition, Eighteen (18) training institutions had their Certificates of Registration cancelled due to the factor that they were either no longer conducting TEVET activities or they were not satisfying the requirements to offer TEVET in accordance with the TEVET Act.

Routine inspections were also conducted in Two Hundred and Fifty-Two (252) institutions out of the targeted Three Hundred and Forty – One (341). The targets were not met due to having limited staff in the Inspectorate Unit to cater for the growing demands for inspections. The central location of TEVETA limits its capacity to efficiently respond to the inspection requirements.. With the registration of new institutions and the cancellation of registration status of some institutions, TEVETA closed the year with Four Hundred and Twelve (412) Institutions sitting on the register. This is highest number of registered institutions the Authority has ever recorded.

At the close of the year under review, 60.9% of the 412 registered institutions were in “Grade Three (3)” which is the lowest quality category in the TEVET grading system. Inadequate tools, equipment, infrastructure, learning materials and inadequate management systems continue being major factors affecting quality training in the sector. In addition, current industrial experience, and exposure to 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.

Table 1: Distribution of Institutions according to Grades as at 31st December 2023

NAME OF THE PROVINCE	GRADE			TOTAL	% OF TOTAL
	1	2	3		
Central	3	7	21	31	7.5%
Copperbelt	9	30	62	101	24.5%
Eastern	0	4	9	13	2.4%
Luapula	0	3	8	11	2.7%
Lusaka	16	56	90	162	39.3%
Muchinga	0	0	5	5	1.2%
Northern	0	3	8	11	2.2%
North - Western	2	4	14	20	4.9%
Southern	2	19	25	46	11.2%
Western	0	3	9	12	2.9%
TOTAL	32	129	251	412	100%
%	7.8%	31.3%	60.9%	100%	

(ii) ACCREDITATION OF TRAINERS, ASSESSORS AND EXAMINERS

One of the activities conducted by the Authority to foster the quality of the delivery of training is the accreditation of trainers, assessors, and examiners. The 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 and it ensures that only qualified persons conduct training in the Sector. A total of 1, 777 applications were received for accreditation for the year 2023 of which a total of 1, 674 were accredited giving a success rate of 94%. The remaining 103 applicants were not accredited as they did not meet the minimum requirements for accreditation.

(iii) PROVISION OF TRAINING PROVIDER SUPPORT SERVICES WITH RESPECT TO CONTINUOUS IMPROVEMENT

As quality is about continuous improvement, the Authority provided support services to One hundred and Thirteen (113) institutions to enable the Institutions migrate to better grades. The target in the year was to offer support to One hundred and Twenty (120) institutions. The major findings from the visits are that institutions do not have quality management systems thereby making it difficult for them to maintain operational documents which help the institutions operate effectively and efficiently.

(iv) FACILITATION OF CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE PERSONNEL IN THE SECTOR

Provision of qualified personnel in the sector is of paramount importance as it is one of the ingredients for quality training to be conducted. Realising its importance and to ensure compliance to the training standards, TEVETA through the Division facilitated for the conduct of capacity building programmes. Capacity building activities were conducted for Two Hundred and Fifty – Four (254) personnel in Renewable Energy, Information Technology, Quality Management Systems, Teaching File Maintenance and Curriculum Development.

(v) PROMOTION OF ENTREPRENEURSHIP TRAINING

As guided by the TEVET policy of 2020, the promotion of Entrepreneurship continues to be an agenda driven by TEVETA. A total of 69 training institutions were visited. Inadequate number of qualified entrepreneurship trainers to meet the needs of the sector, lack of access to training materials by the trainers and trainees as well as a weak entrepreneurship ecosystem to support the graduates have continued to be the main challenges.

In the year under review, capacity building programmes were conducted for 155 trainers in Anti-Corruption content which was integrated in the trainer of Trainer programmes for the Entrepreneurship Programme and 20 trainers in Financial Literacy. To also help the institutions in the delivery of Entrepreneurship training, the Authority developed Guidelines for Establishment of Institutional Enterprises which at the end of the year were at draft stage and

8.3.2. DEVELOPMENT DIVISION

In the year under review, the Authority developed learning programmes, set standards and provided guidelines for the implementation of different modes of teaching and learning as mandated by the TEVET Act. These functions were implemented through;

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

(i) Curriculum Development and Review

Continuous curriculum review and development were the main activities the Authority conducted in 2023. The Table below shows the distribution of curricula developed and reviewed in the year:

Table 2: Summary of curricula approved

	Reviewed	Developed
Planned	20	10
Actual	21	17

The table shows that more curricula were developed than reviewed. This is largely due to the support we had from ZESCO and the Bankers Association of Zambia at the beginning of quarter 1, 2023.

(ii) LEARNING MATERIALS DEVELOPMENT

Learning materials in Open, Distance and Flexible Learning (ODFL) were developed for Level 4 Certificate in Automotive Mechanics and Paralegal Studies. Learning materials in at Level 4 Craft Certificate in Secretarial and Office Management, Engineering Mathematics and Engineering Science are awaiting review and validation.

(iii) TEVET TRAINING SYSTEMS AND PUBLIC PRIVATE PARTNERSHIPS (PPP)

A pilot Dual Vocational Educational and Training (VET) System was facilitated between Lusaka Water and Sanitation Company and Lusaka Business College with support from Germany Technical Cooperation Agency (GIZ). The learners on the programme are employees of LWSC. TEVETA is offering technical support to the project in the areas of quality assurance and assessments and certification.

(iv) RECOGNITION OF PRIOR LEARNING (RPL)

In TEVET, Recognition of Prior Learning (RPL) assessments are conducted in formal and informal Sectors. RPL is a process by which individuals can claim and gain recognition towards specific national qualifications, based on demonstrated competence/learning outcome in a person's working life or experience. It involves identification, documentation, assessment and certification of learning outcomes/ experience that was acquired outside the formal (traditional or classroom) system. It is a tool for certifying competences that are acquired outside the formal education and training system such as local communities or at a workplace.

8.3.3. ASSESSMENTS AND CERTIFICATIONS DIVISION

TEVETA conducts and administers TEVET Assessments and Examinations to learners in institutions registered. The Authority's strategic objective under this role is to develop and continuously improve TEVET Assessments and Certification system to cater for all training systems in the context of the Zambia Qualifications Framework.

In 2023, four (4) sessions were held in April-May, July-August and November-December. The September-October session was held for Junior Secondary School Vocational Education and Training (JSSVET).

(i) NUMBER OF INSTITUTIONS THAT PARTICIPATED IN THE EXAMINATIONS

A total of 63 institutions presented candidates in Regular Programmes (Certificate to Diploma –ZQF Levels 4-6), which are the highest levels on the TEVET section of the Zambia Qualification Authority Framework, during the 2023 examinations. Copperbelt and Lusaka provinces had the

highest number of institutions recording 67 institutions each respectively, while Northern and Muchinga provinces had the lowest number of institutions recording nine (9) and six (6) institution respectively.

In the same period 174 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). Copperbelt and Lusaka provinces had the highest number of institutions recording 47 and 46 institutions respectively, while Northern and Muchinga, provinces had the lowest number of institutions recording 6 and 5 institutions respectively. Twenty (20) institutions presented candidates for Skills Award, of which the highest was in Lusaka province (4) and Copperbelt (4). Muchinga province did not present candidates under the Skills Award programme.

Figure 1: Institutions that participated in the examinations.

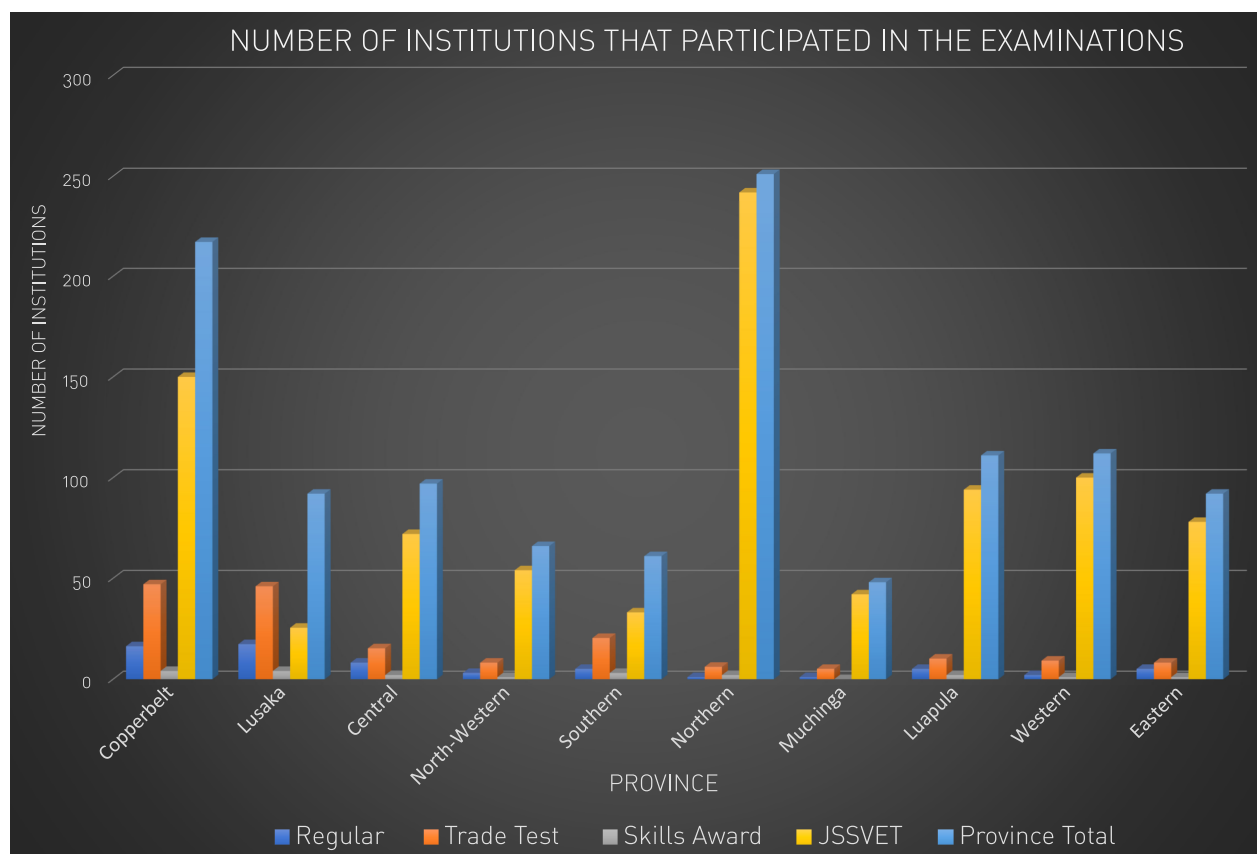


Table 3: Institutions that participated in the examinations

Programme	Copperbelt	Lusaka	Central	North-Western	Southern	Northern	Muchinga	Luapula	Western	Eastern	Total
Regular	16	17	8	3	5	1	1	5	2	5	63
Trade Test	47	46	15	8	20	6	5	10	9	8	174
Skills Award	4	4	2	1	3	2	0	2	1	1	20
JSSVET	150	25	72	54	33	242	42	94	100	78	890
Province Total	217	92	97	66	61	251	48	111	112	92	1147

A total of 104,151 learners registered for 2023 TEVET assessments and examinations (29,272 ZQF Levels 4-6 Programmes, 41,864 Trade Test Programmes, 32,171 Junior Secondary School VET and 844 Skills Awards programmes).

Figure 2 Candidature

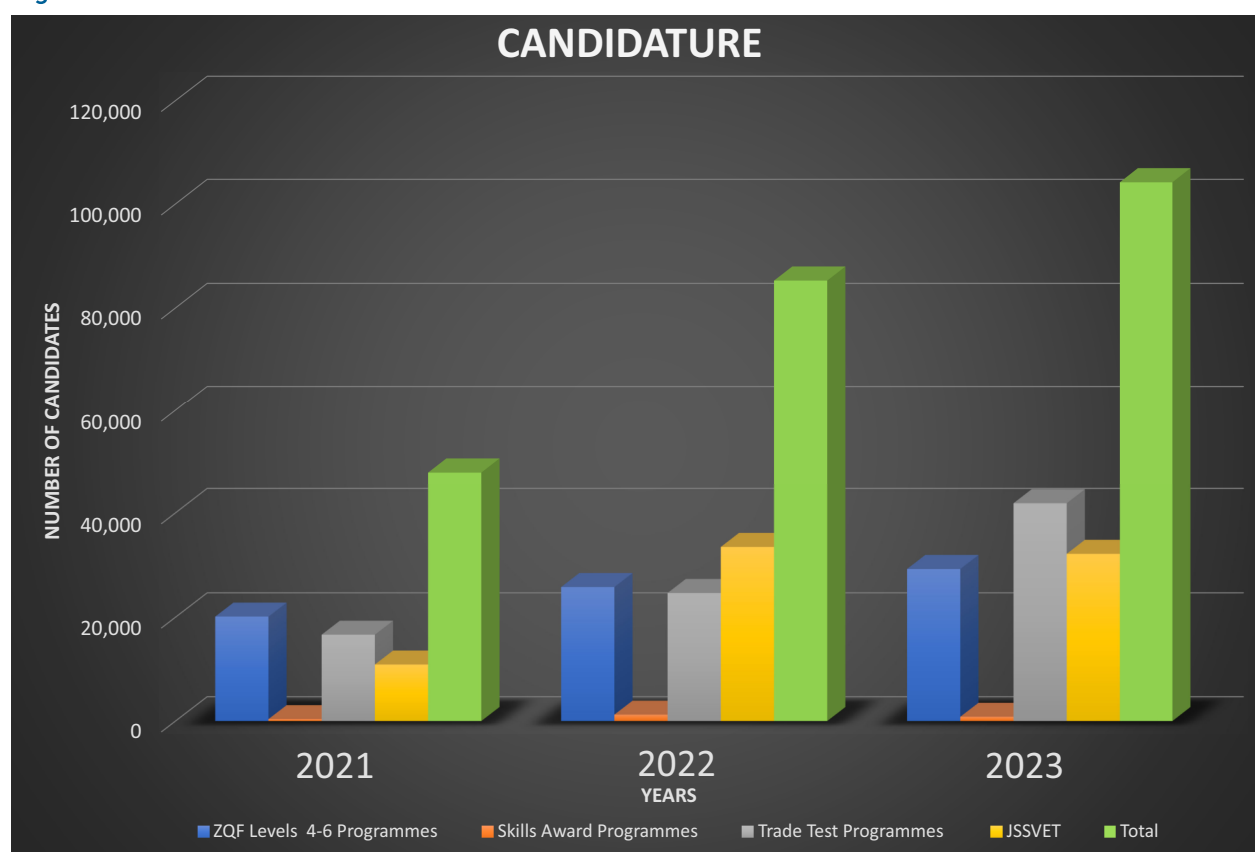


Table 4: Candidature

	2021	2022	2023
ZQF Levels 4-6 Programmes	20,139	25,816	29,272
Skills Award Programmes	392	1,254	844
Trade Test Programmes	16,665	24,674	41,864
JSSVET	10,912	33,491	32,171
Total	48,108	85,235	104,151

(iii) NUMBER OF PROGRAMMES EXAMINED

A total of 289 courses and assessments were conducted in 2023. These were: 150 ZQF Levels 4-6 Programmes, 119 Trade Test /JSSVET Programmes and 20 Skills Awards. Refer to Figure 3 and Table 3.

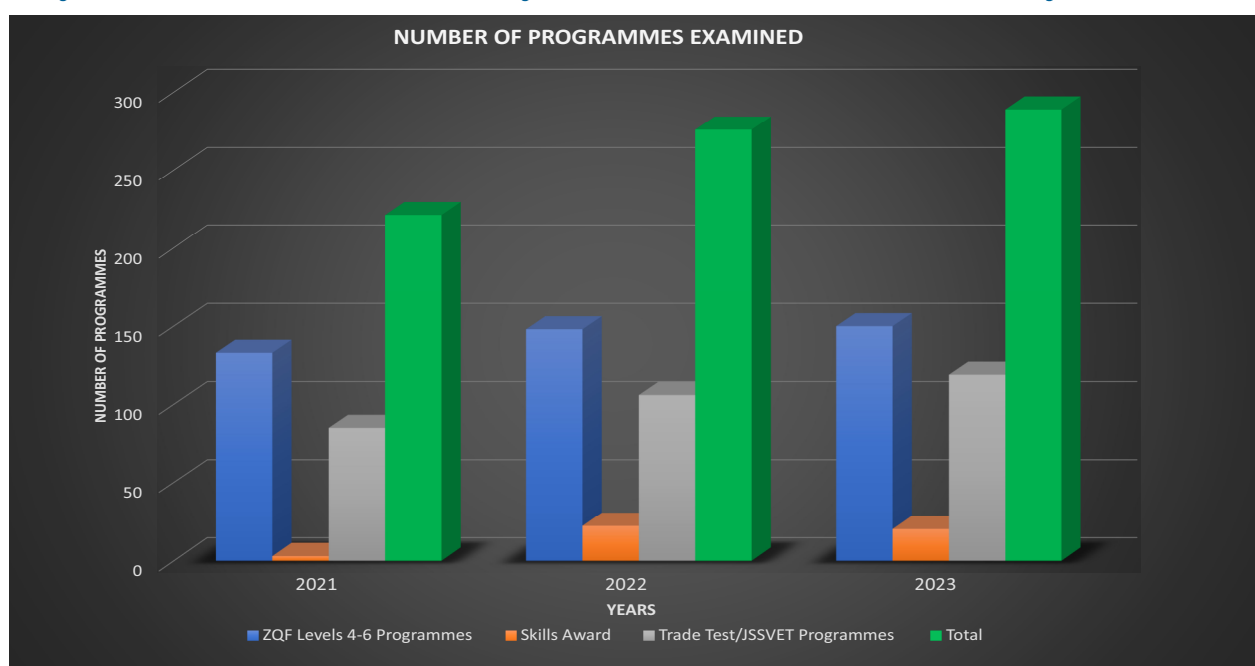
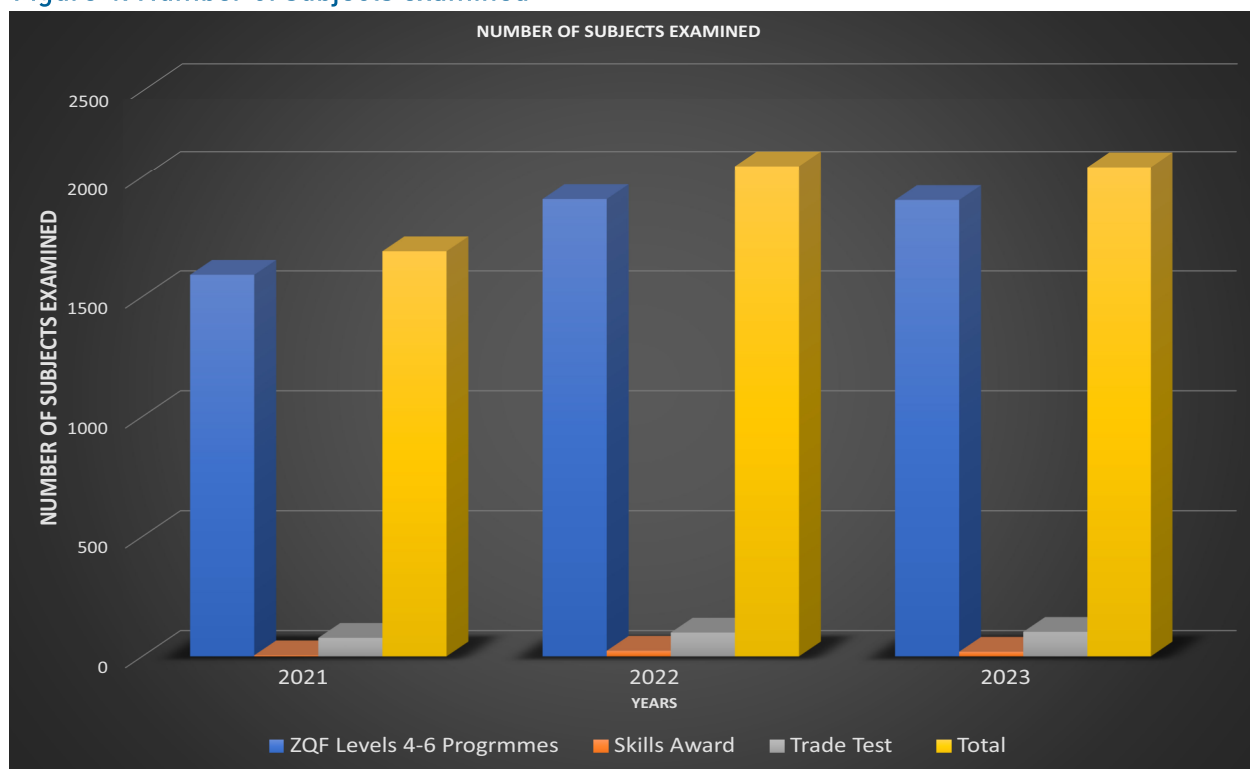


Table 5: Number of programmes examined/assessed.

	2021	2022	2023
ZQF Levels 4-6 Programmes	133	148	150
Skills Award	3	22	20
Trade Test / JSSVET Programmes	85	106	119
Total	221	276	289

(iv) NUMBR OF SUBJECTS EXAMINED

A total of 2,043 subjects were examined in 2023 examinations. The number of subjects examined decreased from 2,047 to 2043 representing a percentage decrease of 0.19%. Refer to Figure 4 and Table 4.

Figure 4: Number of subjects examined**Table 6: Number of subjects examined.**

	2021	2022	2023
ZQF Levels 4-6 Programmes	1592	1908	1904
Skills Award	5	24	20
Trade Test Programmes	78	100	103
JSSVET Programmes	15	15	16
Total	1,690	2,047	2,043

(v) OVERALL PERFORMANCE – ZQF LEVELS 4-6 PROGRAMMES**ZQF LEVEL 6 PROGRAMMES**

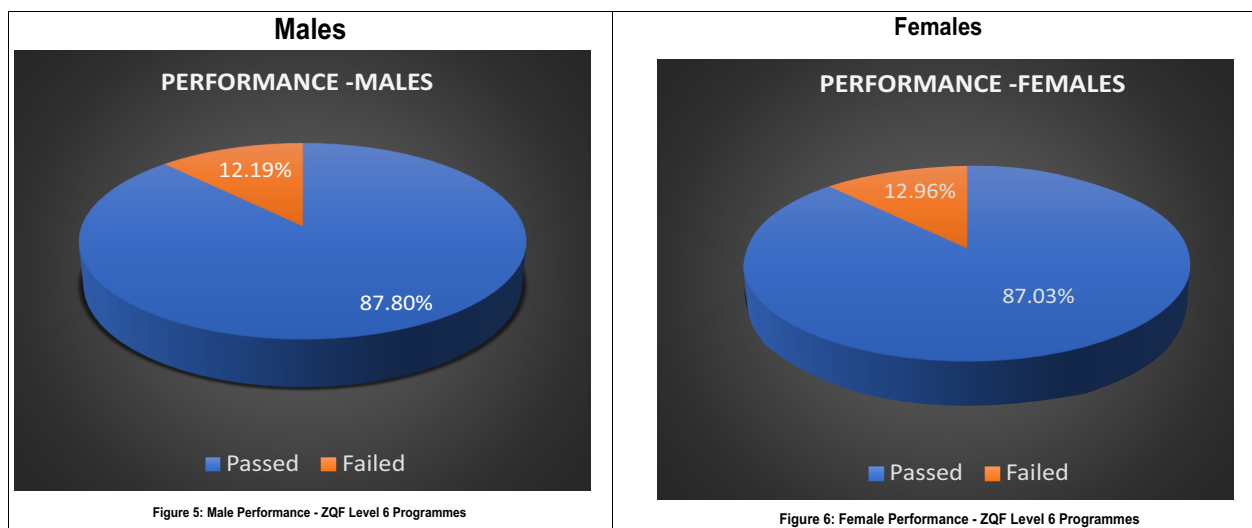
From a total of 15,333 candidates who registered to sit for ZQF Level 6 Programmes: 8,370 males passed, 1,162 males failed, 4,934 females passed, 735 females failed, and 432 candidates were absent. This brought the overall pass rate to 87.52%. Table 5 indicates this distribution:

Table 7: Performance - ZQF Levels 6 programmes

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
15,333	15,201	132	8,370	4,934	1,162	735

The pass rates for males and females were 87.80% and 87.03% respectively. Refer to Figure 5 and Figure 6.

A regular learning programme comprises of several learning outcomes designed to address multiple learning needs from different occupational fields. The duration of the courses is between one to three years.



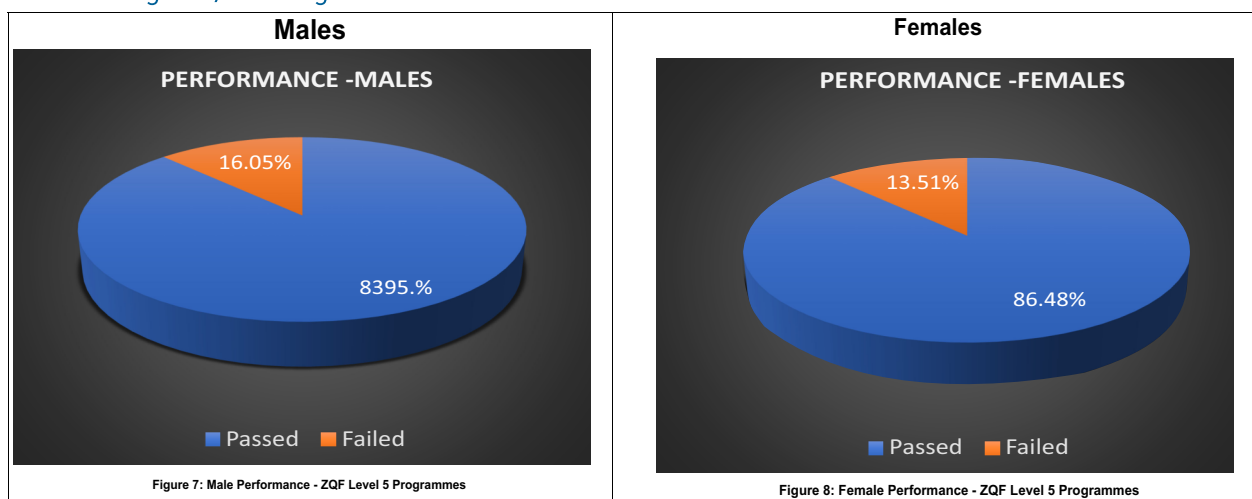
ZQF LEVEL 5 PROGRAMMES

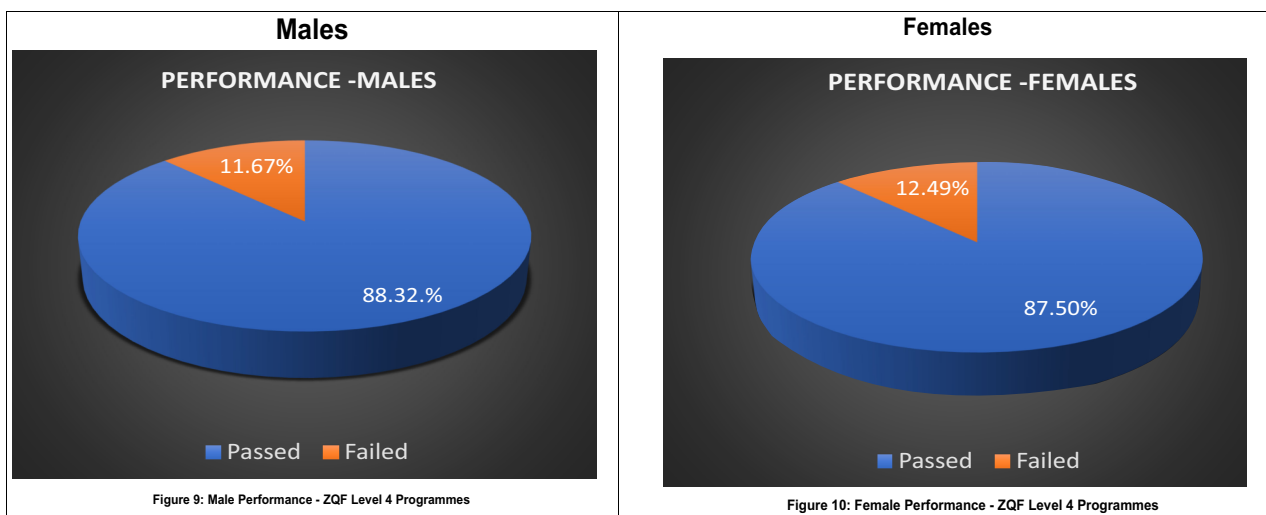
From a total of 2,078 candidates who registered to sit for ZQF Level 5 Programmes: 1004 males passed, 192 males failed, 755 females passed, 118 females failed, and 9 candidates were absent. This brought the overall pass rate to 85.01%. Table 6 indicates this distribution:

Table 8: Performance - ZQF Levels 5 programmes

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
2078	2069	9	1004	755	192	118

The pass rates for males and females were 83.94% and 86.48% respectively. Refer to Figure 7 and Figure 8.





(vi) PERFORMANCE IN TRADE TEST PROGRAMMES

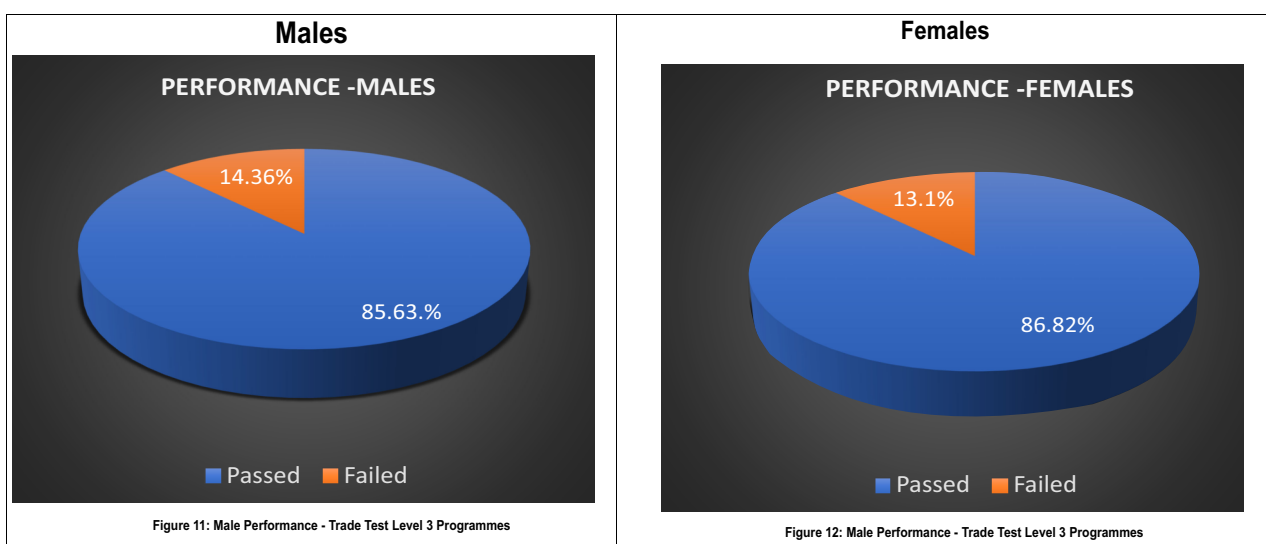
Trade Test Level 3 (TTL3)

From a total of 26,135 candidates who registered to sit for Trade Test Level 3 programmes: 12,575 males passed, 2,109 males failed, 9,485 females passed, 1,439 females failed, and 527 candidates were absent. This brought the overall pass rate to 86.14%. Refer to Table 8.

Table 9: Performance for Trade Test Programmes – (Trade Test Level 3)

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
26,135	25,608	527	12,757	9,485	2,109	1,439

The pass rates for males and females were 85.63% and 86.82% respectively. The pie charts in Figures 11 and 12 show this breakdown:



A trade test learning programme comprises of a limited number of learning outcomes designed to address learning needs from a specific occupational field. The duration of the courses is between three months to one year.

Trade Test Level 2 (TTL2)

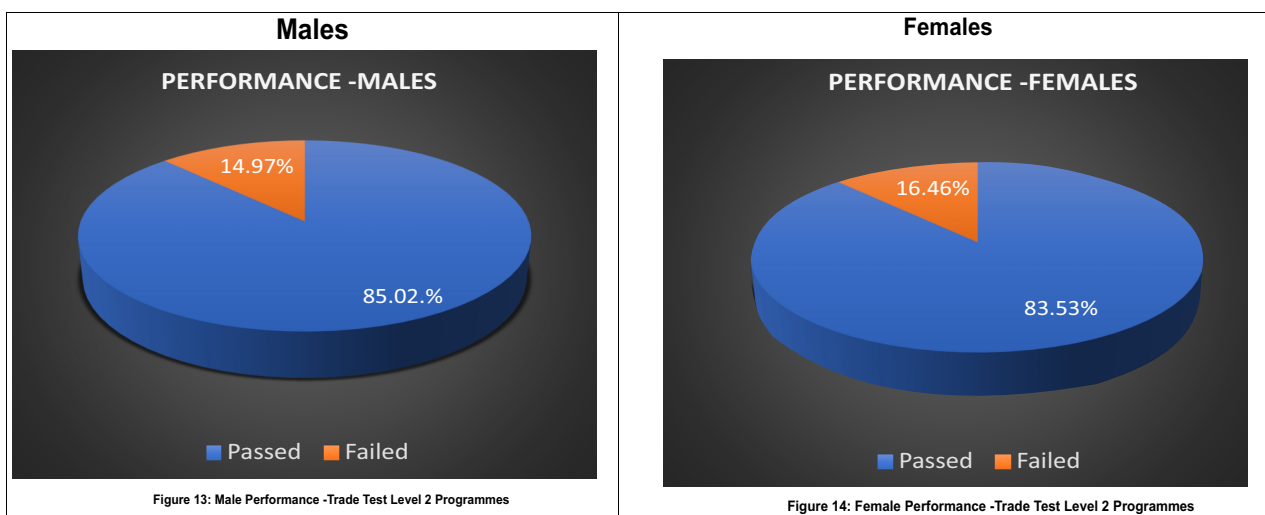
From a total of 2,578 candidates who registered to sit for Trade Test Level 2 programmes: 954 males passed, 168 males failed, 1,152 females passed, 227 females failed, and 77 candidates were absent. This brought the overall pass rate to 82.20%. Refer to Table 9.

Table 10: Performance for Trade Test Programmes – (Trade Test Level 2)

Table 10: Performance for Trade Test Programmes – (Trade Test Level 2)

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
2,578	2,501	77	954	1,152	168	227

The pass rates for males and females were 85.02% and 83.53% respectively. The pie charts in Figures 13 and 14 show this breakdown:



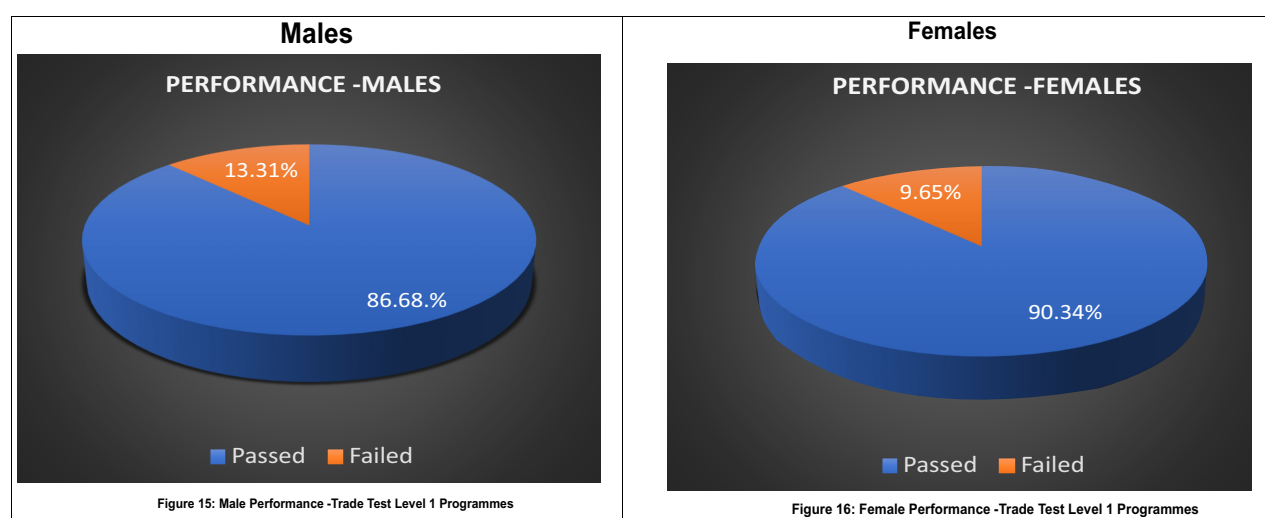
Trade Test Level 1 (TTL1)

From a total of 13,151 candidates who registered to sit for Trade Test Level 1 programmes: 5,769 males passed, 886 males failed, 5,720 females passed, 611 females failed, and 165 candidates were absent. This brought the overall pass rate to 88.47%. Refer to Table 10.

Table 11: Performance for Trade Test Programmes – (ZQF Level 1)

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
13,151	12,986	165	5,769	5,720	886	611

The pass rates for males and females were 86.68% and 90.34% respectively. The pie charts in Figures 15 and 16 show this breakdown:



8.3.4 PERFORMANCE IN SKILLS AWARD PROGRAMMES

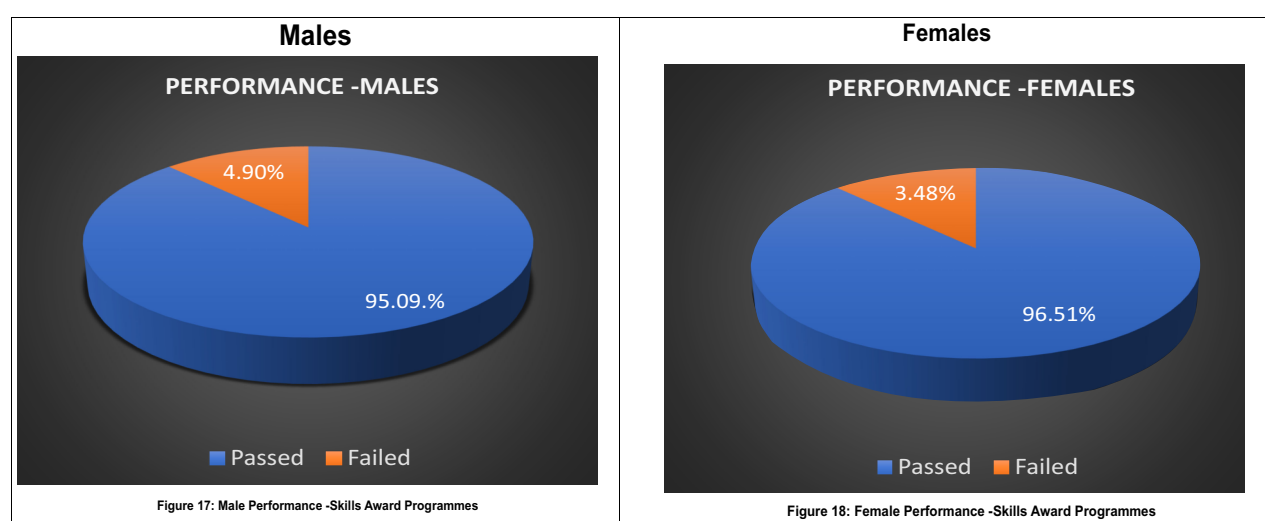
From a total of 844 candidates who registered to sit for Skills Award programmes: 407 males passed, 21 males failed; 305 females passed, and 11 females failed. One hundred (100) candidates were absent. This brought the overall pass rate to 95.69%. Refer to Table 11.

Table 12: Overall Performance – Skills Award Programmes

Table 12: Overall Performance – Skills Award Programmes

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
844	744	100	407	305	21	11

The pass rates for males and females were 95.09% and 96.51% respectively. The pie charts in Figures 17 and 18 show this breakdown:



A Skills Award Programme is a learning programme comprising specific learning outcomes designed to address learning needs in one field of specialization. The duration is between one to two months.

(vii) RESIT CANDIDATES

The number of Re-sit candidates decreased from 8,709 in 2022 to 7,414 in 2023 representing a decrease of 14.86%. This increase is attributed to an increase in the candidature for the period under review. Refer to Table 12.

Table 13: Resit Candidates

	2021	2022	2023
No. of Resit Candidates	5,410	8,709	7,414

(viii) RESIT SUBJECTS

The number of subjects that were re-sat decreased from 2,018 in 2022 to 1,278 in 2023 representing a 36.66% decrease. Refer to Table 13.

Table 14: Resit Subjects

	2021	2022	2023
No. of Resit Subjects	1,809	2,018	1,278

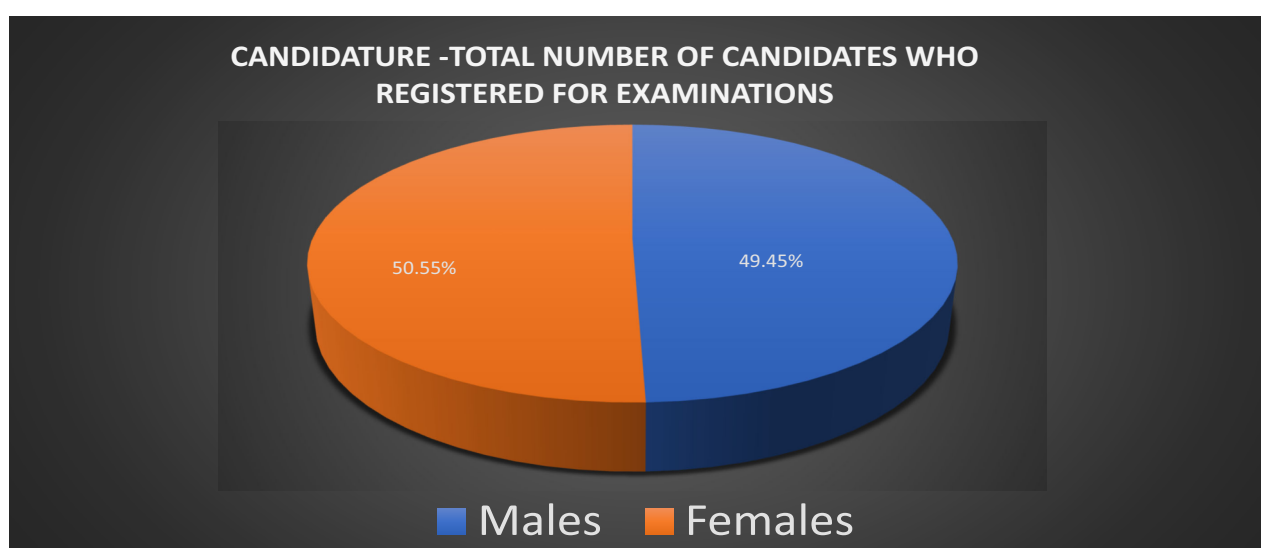
(ix) CANDIDATURE – Junior Secondary School Vocational Education and Training (JSSVET)

A total number of 32,171 candidates registered to sit for September - October 2023 JSSVET examinations. (These comprise of grade 9 pupils drawn from various secondary schools in all the 10 provinces) From this number 15,934 were males whilst 16,237 were females, representing a percentage of 49.53% and 50.47% respectively. Refer to Figure 14.

Table 14: Candidature - SSVET

Registered	Sat	Absent	Male Passed	Female Passed	Male Failed	Female Failed
32,171	29,791	2,380	12,827	13,306	1,916	1,739

Figure 19: Candidature- total number of candidates who registered for examinations.



(x) PERFORMANCE – Junior Secondary School VET

FEMALES

From 15,045 female candidates who sat for examinations, 13,306 passed making the pass rate at 88.44% whilst 1,739 failed with failure rate at 11.55%. Figure 20 shows this distribution:

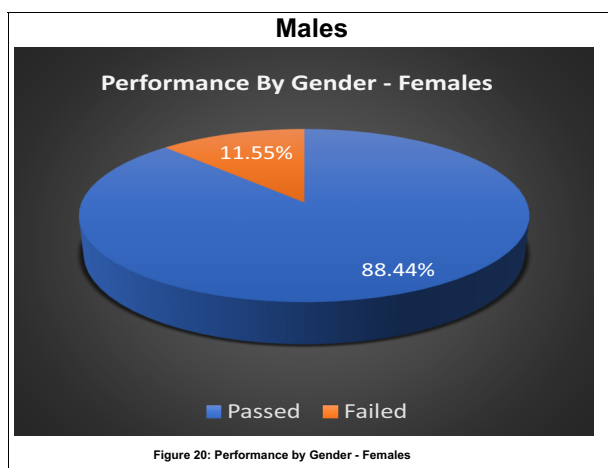


Figure 20: Performance by Gender - Females

MALES

From 14,743 male candidates who sat for examinations, 12,827 passed making the pass rate at 87.00% whilst 1,916 failed with failure rate at 12.99%. Figure 21 shows this distribution:

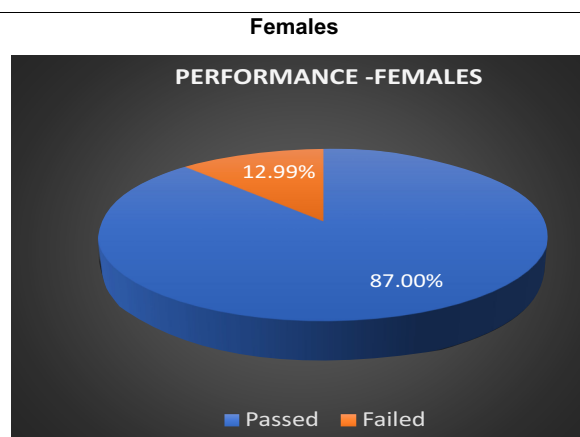


Figure 21: Performance by Gender - Males

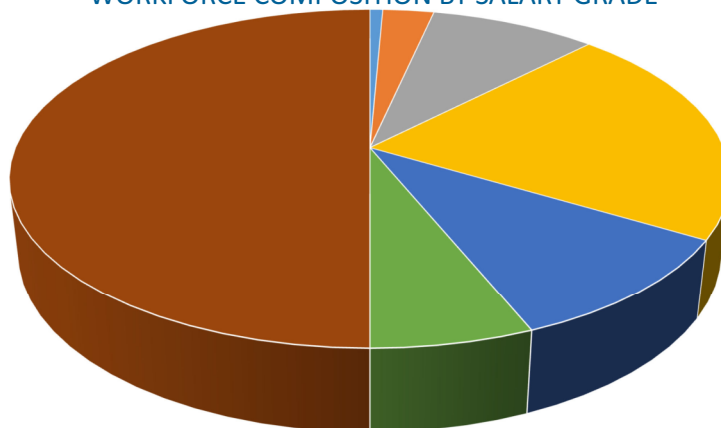
The overall pass rate for JSSVET assessments for 2023 was at 87.72%.

8.3.5. FINANCE

(i) Human Resources and Administration Staffing

We ended the year with 73 staff as at 31 December 2023. The staff compliment included seasonal and short-term staff hired for specific season or short-term assignments.

WORKFORCE COMPOSITION BY SALARY GRADE



■ TVA1 ■ TVA2 ■ TVA3 ■ TVA4 ■ TVA5 ■ TVA6 ■ TVA7 ■ Total

COMPOSITION BY GENDER.

The composition of the workforce by gender was 42.47 women and 57.53 men.

Gender	Number	Percentage
Females	31	42.47%
Males	42	57.53%
Total	73	100.00%

COMPOSITION BY CONTRACT DURATION

The distribution of the workforce by contract duration was as detailed below in the table.

Duration	Number
6 Months	2
12 Months	1
60 Months	70
Total	73

The employment of staff on short-term contracts was necessitated by the absence of three staff who are on either on suspension pending criminal proceedings, and one who was on long sickness.

Vacancies

There were 13 vacancies as of 31 December 2023, as detailed below in the table below.

POSITIONS	NUMBER	STATUS
Manager Research	1	This position replaces the Manager-Training Systems Development. Recruitment commenced after approval to recruit granted in October.
Regional Training Quality Assurance Manager (N)	1	Recruitment commenced after approval to recruit granted in December
Legal Counsel	1	Recruitment to commence in 2024
Inspector Training Quality Assurance	2	Newly established position. Recruitment commenced
Specialist-Training Provider Support	1	Recruitment awaiting financing of position
Specialist-Curriculum Development	1	Recruitment awaiting financing of position
Specialist-Learner Materials Design and Development	1	Recruitment awaiting financing of position
Assessments Specialist Aviation and Automation	1	Recruitment awaiting financing of position
Trade Test Officer	1	Recruitment awaiting financing of position
Print Officer	1	Recruitment awaiting financing of position
Accounts Officer	1	Recruitment awaiting financing of position
Human Resource Specialist	1	Recruitment concluded
TOTAL	13	

SEPARATIONS

Two (2) staff separated from TEVETA during the year as follows.

Name	Job Title	Reason
Beatrice C. Chibawe	Administrative Assistant	Dismissal
Mercy Phiri	Assistant Accountant	Resignation
Priscah N. Chela	Inspector	End of Contract

RECRUITMENT

The following recruitments were made during the period.

Position	Number	Comments
Assessments Specialist-Electrical	1	
Short -term Inspector	1	
Data Entry Officer	2	
Specialist-TSD	1	
Specialist-Corporate Affairs and Communication	1	
Executive Assistant	1	
TEVET Fund Assistant Accountant	1	
Drivers	3	
Total	11	

The Authority faced challenges in filling all the 13 vacancies due inadequate financing to support and sustain the positions. Towards the end of the year, Management obtained approval from the Board of Directors to utilise funds from the TEVET Fund allocated to support quality assurance services to finance recruiting of three staff to fill positions for planned the establishment of the regional office on the Copperbelt.

CONTRACT RENEWALS

Twenty-three (23) contracts were renewed during the period as follows.

Full Name	Position	Status	Gender	Salary Grade	
Banda Rudo	Director-Training Standards	Director	F	TVA2	01 May 2023
Matimba Ocean	Director-Assessments and Certification	Director	M	TVA2	10 September 2023
Bowa Kennedy	Manager-Training Provider Support Services	Manager	M	TVA3	01 June 2023
Musa Ernest	Manager-Human Resources and Administration	Manager	M	TVA3	01 June 2023
Muwowo Stan	Manager-Curriculum Development	Manager	M	TVA3	01 March 2023
Siachiyako Clive	Manager-Corporate Affairs and Communication	Manager	M	TVA3	29 October 2023
Sichinga Kenneth	Manager Training Quality Assurance	Manager	M	TVA3	01 February 2023
Cheuka Mwelwa Mumba	IT Officer	Officer	F	TVA5	02 January 2023
Chilomba K Emmanuel	Assessment Specialist Agribusiness and Community Development	Specialist	M	TVA4	01 November 2023
Mfungo Mkanda	Internal Auditor	Specialist	M	TVA4	16 July 2023
Musweu Ntankula Chishaala Hillien	Specialist-Monitoring and Evaluation (TEVET Fund)	Specialist	F	TVA4	11 July 2023
Mutale Mwamba	Specialist-Curriculum Development	Specialist	M	TVA4	07 August 2023
Ngosa Mazala Mbasilu	Inspector-Training Quality Assurance	Specialist	F	TVA4	02 May 2023
Nkowani Malama Gwenny	Inspector Training Quality Assurance	Specialist	F	TVA4	01 October 2023
Tembo Costain	Monitoring and Evaluation Specialist	Specialist	M	TVA4	16 August 2023
Chela Langson	Driver	Support Staff	M	TVA6	09 December 2023
Chiwaka Lovemore	Gardener	Support Staff	M	TVA6	01 February 2023
Nawa Josephine	Office Assistant	Support Staff	F	TVA6	01 February 2023
Shamilimo Goodson	Office Assistant	Support Staff	M	TVA6	11 April 2023
23					

TRAINING AND DEVELOPMENT

Staff Induction.

Eleven (11) new staff were inducted during the year.

Ongoing CPD Programmes

Eighteen (18) staff were undergoing various capacity building programmes as detailed below.

	Name	Program Name
1	Mr Mwamba Mutale	Masters in Curriculum Design & Development
2	Mr Ackim Kalikeka	Masters in Curriculum Design & Development
3	Mrs Mwape Chikoti Namuchindo	Masters in Curriculum Design & Development
4	Mrs Ochola Chansa	Masters in Curriculum Design & Development
9	Ms Abigail Malambo	Degree in Human Resource Management
10	Mr Chakupa Sakala	Master of Design and Technology
13	Mrs Mwelwa Cheuka	AZURE
14	Mrs Yvonne Sinkala	Master of Business Administration
15	Mr Mkanda Mfungo	Master of Business Administration
16	Mr Ng'ona Chibesakunda	MSc Information Systems
17	Mr Mike Mudimba	MSc Computer Science
18	ALL Managers and Directors	Leadership and Management Skills Training

PERFORMANCE MANAGEMENT

The annual staff performance reviews for 2022 were carried out and the results are summarised below.

Division/Unit	A-Rating	B-Rating	C-Rating	D-Rating
Assessments and Certification	15	0	1	0
Development	3	3	0	0
Training Standards	3	2	0	0
Finance	7	3	0	0
Corporate Affairs	1	2	0	0
Procurement	2	0	0	0
Human Resource and Administration	3	5	0	0
Office of the Director General	0	0	0	0
Information Technology	4	0	0	0
Internal Audit	2	0	0	0
Total	40	15	1	0

ORGANIZATIONAL REVIEW

A review of the organization structure, job descriptions and policies were carried out by Beatmas Human Resource Consultants. The review process resulted in revised policies and procedures, job descriptions and recommendations for increases to the establishment to be presented to the Board.

Harmonisation and Rationalisation of Salaries and Conditions of Service

New salaries and Conditions of Service for staff were implemented effective 1 July 2023 following approval by the Emoluments Commission and the TEVETA Board of Directors.

The UTH High-Cost Scheme was also discontinued following recommendations of the harmonization and rationalisation of Salaries and Conditions of Service.

The Authority also implemented health awareness programmes for staff as well as fumigation of the premises in relation to potential disease breakouts.

ii) TEVET Fund Technical Education, Vocational and Entrepreneurship Training (TEVET) Fund

The Government of the Republic of Zambia, through the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act Number 13 of 1998 and the TEVET Amendment Act Number 11 of 2005, established the TEVET Fund as one of a series of new funding mechanisms to improve efficiency and effectiveness of the TEVET System. Currently, the main source of income for the TEVET Fund is the Skills Development Levy (SDL), which compels employers in the private sector to pay the levy in line with the Skills Development Levy Act number 46 of 2016 and the Skills Development Levy Act Amendment Number 24 of 2020. The Zambia Revenue Authority (ZRA) collects the levy, as stipulated in the SDL Act. The collected levies are paid to the TEVET Fund in line with the SDL

Act. The SDL is intended to ensure a sustainable financing instrument of the TEVET system. To achieve its objective, the TEVET Fund is designed to include responsive policy, governance structures, institutional arrangements, institutional capacities, systems and procedures.

The TEVET Fund provides for opening of equal private and public provider access to skills development training funds on a competitive basis; a commitment to greater cost-sharing through private sector and learner contributions to the cost of training and the establishment of national quality assurance mechanisms to improve the quality of delivery and the confidence of beneficiaries in the training and skills they acquire.

The funding strategy sets precedence for new disbursement modalities involving a number of funding windows that seek to address different labour market segments. These disbursement modalities are intended to provide an environment for continuous improvement in the quality and relevance of training.

To enhance oversight and ease the implementation of the Fund, the Minister of Technology and Science has appointed the TEVETA Board of Directors, in accordance with the TEVET Act, which has also constituted a sub-committee of the Board (TEVET Fund Committee) through which detailed deliberations are conducted before consideration of the issues by the full Board. The members of this Committee comprise nine (9) members with current representation from Bankers Association of Zambia, Catholic Education Secretariat, Higher Education Loans and Scholarships Board, Ministry of Finance and National Planning, Ministry of Technology and Science, Zambia Chamber of Mines, Zambia Congress of Trade Unions, Zambia Federation of Employers and Zambia Association of Manufacturers. The establishment of the TEVET Fund Committee enhances corporate governance and private sector confidence in the management of the SDL in line with its objective.

FINANCING STRATEGY FOR THE TEVET FUND

Government collects the Skills Development Levy through the ZRA. The private sector is contributing to the skills development of the labour market. The cost of training is now being shared amongst the Government, Private sector and the Learners. This gives an assurance of sustainability to the funding strategy, and it is expected that stakeholders will play their role.

PURPOSE FOR THE TEVET FUND FINANCING STRATEGY

The purpose of the TEVET Fund is as follows:

- a) Enhance the provision of skills development in a more efficient and effective manner;
- b) Promote private sector participation in skills development;
- c) Facilitate predictability of resources to the training institutions;
- d) Facilitate the development of an objective skills development fund model for TEVET sector
- e) Enhance effective budget monitoring and evaluation;
- f) Enhance the quality of infrastructure and training equipment in the TEVET sector;
- g) Enhance the Human Resource Development (HRD) in TEVET sector;
- h) Facilitate the review and development of curriculum and training systems;
- i) Enhanced focus on utilization of various funds in the TEVET sector.

GUIDING PRINCIPALS FOR THE TEVET FUND DISBURSEMENTS

1. Priority Skills areas will be aligned to job performance systems in the world of work;
2. The disbursements of funds will be done in a transparent and equitable manner;
3. Equality and equity shall be integrated in all training activities;
4. Training providers shall strive to attain and maintain accreditation standards required by the TEVET Act;
5. Staff development programmes will be competency based, i.e. focusing on the development of knowledge, skills and attitudes/values as appropriate for the staff members in specific position;
6. TEVET Fund disbursements will be determined on the basis of students numbers and staff requiring training in priority skill areas;
7. Skills offered in the TEVET sector will be relevant, effective, provide value for money and support employment equity;

8. Management systems supported by the Fund shall include job related skills development, improvement of management systems for the betterment of TEVET;
9. All priority skills training shall be informed by a skills audit as envisaged by the world of work;
10. The education, training and development of employees supported under the TEVET Fund in key performance areas shall be a responsibility for institutional managers.

TEVET FUND GENERAL PRINCIPLES OF OPERATIONS

The basic management principles of the TEVET Fund include the following:

Transparency

The resources will be managed in an open and transparent manner that provides for checks and balances.

Accountability

Accurate and timely reports will be available to all stakeholders in line with an approved reporting format by the Finance and Administration Committee of the Board.

Risk Mitigation

The TEVET Fund will aim to minimize the risk of fraudulent practices as well as other forms of financial malpractices.

Expedience

The TEVET Fund will ensure that the approval and settlement of financial amounts is within as short a time as possible, without compromising accountability or prudence. This is particularly important not only for outputs to be delivered as per the planned schedule, but to also build the trust of both the recipients and the Fund sponsors.

Public / Private Sector partnerships

The management of the TEVET Fund seeks to harmonize the public interests with private sector interests.

Efficiency, Effectiveness and Economy

The Fund will operate with the ability to produce intended objectives by ensuring that resources are allocated to their most valuable uses and waste is eliminated or minimized to yield best results, which delivers more value or achieves a superior outcome at optimal cost.

Code of Ethics

The TEVET Fund will treat all stakeholders with justice, dignity, integrity and respect for autonomy at all times, while operating in compliance with laws and regulation as well as using best practices.

TEVET FUND CORE BUSINESS AREAS

Business Areas

The TEVET Fund core business focus is comprised of two main areas:

- i. Recurrent Funding – in support of the three focal training areas, i.e. Pre-employment Training; Employer Based In-Service Training and SME and Informal Sector Training.
- ii. Investment and Development Funding – this entails provision of financial support for:
 - Construction and rehabilitation of infrastructure (buildings, equipment, tools and facilities) in a single or across a number of institutions;
 - Human Resources Development (institutional management, trainers upgrading, capacity building) and
 - TEVET systems development and up grade

The TEVET Fund has three (3) funding windows under the recurrent training financing and one (1) funding window under the investment and development.

These windows are as follows:

- i.Window One: Pre-employment training
- ii.Window Two: Employer based in service-training
- iii.Window Three: Training for Micro, Small and Medium Enterprises (MSMEs) and the Informal Sector
- iv.Window Four: Investment and Development

The diagram below illustrates the structure of the TEVET Fund financing windows.

Recurrent Funding				Investment and Development Funding		
Window 1	Window 2	Window 3		Window 4		
Pre-Employment Training	Employer Based Training	MSME Training	Informal Sector Training	Rehabilitation of Infrastructure	Human Resources Development	TEVET Systems Improvement

The TEVET Fund carried out activities as well as facilitated disbursements in all its financing windows, during the 2023 financial year as indicated below.

1.Window 1 - Pre-employment Training

This window is used to finance institutional based learning programmes for priority, scarce and critical skills including students' industrial attachment and internship. The TEVET Fund financed TEVET bursaries in 2023 based on the bursary awards and actual numbers of students that took up the awards in the various training institutions under the Ministry of Technology and Science.

2.Window 2 – Employer Based In-service Training

This window was used to finance training for formal sector skills development for employers to upgrade or introduce new skills to their employees and apprenticeship / Work Based Learning (WBL). The Fund financed Employer Based In-Service Training activities for contracts that were approved for award in 2023.

3.Window 3 – MSMEs and Informal Sector Training

This window was used to finance training of MSMEs and Informal Sector operators through the provision of funds to training providers and intermediary institutions with the expectation that the duration of training is within one year. In 2023 the Fund signed and financed 659 training contracts for the implementation of SME and Informal Sector Training activities based on the proposals which were received, evaluated and recommended and approved for award.

4.Window 4 – Investment and Development

This window was used to finance construction, rehabilitation and development of infrastructure, TEVET systems developments and upgrades as well as Human Resource Development for trainers and examiners. The Fund facilitated disbursements for activities under the Investment and Development Window. The Fund also made disbursements for Quality Assurance, Curriculum as well as Assessments and Certification activities. The Fund expediated payments towards on-going construction works and various capacity building activities for staff in the TEVET sector.

The Fund continued funding and carrying out monitoring and evaluation undertakings for all activities financed under all the four TEVET Fund funding windows.

The Fund carry out and organized awareness programmes as well as capacity-building seminars and workshops for the TEVET sector stakeholders and the general public including participation at the international trade fair and the Agriculture and Commercial Show as well as presentation at professional associations general meetings to promote awareness and appreciation of the TEVET Fund activities and the impact to the TEVET sector.

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



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Nature of business and 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.*

BOARD MEMBERS

Mrs Ngoza C Nkwabilo	- Chairperson	Zambia Federation of Employers
Mr Charles Musenge	- Vice Chairperson	Private Sector
Mr Cyprian Mayamba	- Member	Ministry of Labour and Social Security
Dr Twambo Hachibamba	- Member	University of Zambia
Mr Guest Mugala	- Member	National Science and Technology Centre
Mrs Lilian Chikoti	- Member	Zambia Chamber of Commerce & Industry
Rev. Fr. Dr. Leonard Namuhumba	- Member	Zambia Conference of Catholic Bishops
Mr Victor Kachabe	- Member	Ministry of Technology and Science
Mr Lameck Kashiwa	- Member	Zambia Congress of Trade Unions
Mrs Linda Moono	- Member	Zambia Chamber of Small & Medium Business Associations

MANAGEMENT TEAM

The Management Team who served office during the year were:

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

BANKERS

Stanbic Bank Zambia Limited
Zambia National Commercial Bank Plc

AUDITORS

Mark Daniels Chartered Accountants

REGISTERED OFFICE

CHAZ Complex
Plot No.2882/B/5/10
Third Floor, Suite F3-10/F3-11
Off Great East Road
Mission Drive, Waters

The Board Members submit their report together with the audited Financial Statements for the year ended 31 December 2023, which disclose the state of affairs of the Authority.

PRINCIPAL ACTIVITIES

The principal activities of the Authority are to manage and administer 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 29.732 million (2022: surplus of ZMW 13.628 million) has been added to accumulated reserves.

BOARD MEMBERS' REMUNERATION

Remuneration paid to directors during the year amounted to ZMW0.498 million (2022: Nil)

NUMBER OF EMPLOYEES AND REMUNERATION

The total number of employees was 70 (2022:71) and remuneration of employees during the year amounted to ZMW 26.959 million (2022: ZMW 21.610 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

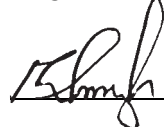
The Authority purchased property, plant and equipment worth ZMW 4.759 million during the year (2022: ZMW 8.947 million). In the opinion of the directors, the carrying value of property, plant and equipment is not less than their recoverable value.

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



2024

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)
Statement of Board Members' Responsibilities
For the year ended 31 December 2023

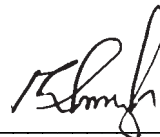
The law requires the Board Members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its surplus or deficit. It also requires the Board Members to ensure that the Authority keeps proper 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

31 March

2024

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 2023, and the Statement of Comprehensive Income, Statement of Changes in Funds 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 2023 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. We have nothing to report in this regard.

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 2023 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

31 March

2024

WKKKKASONGO

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

Statement of Comprehensive Income

	Notes	2023 ZMW	2022 ZMW
Revenue	6	106,072,231	74,277,069
Expenditure			
Direct expenses	App (i)	(49,356,732)	(41,978,601)
Administration expenses	App(i)	(26,983,694)	(18,670,795)
Total expenses		(76,340,426)	(60,649,396)
Surplus for the year		29,731,805	13,627,673

There were no items of other comprehensive income

Statement of Financial Position

	Notes	31 December 2023 ZMW	31 December 2022 ZMW
Non-Current Assets			
Property, Plant and Equipment	8	56,122,665	54,526,803
Intangible Assets	9	220,529	322,068
		<u>56,343,194</u>	<u>54,848,871</u>
Current assets			
Inventories	10	770,351	904,179
Receivables	11	37,130,753	10,298,464
Cash and Cash Equivalents	12	22,488,890	23,007,132
		<u>60,389,994</u>	<u>34,209,775</u>
Total assets		<u>116,733,188</u>	<u>89,058,646</u>
Accumulated Funds and Liabilities			
Capital Grant		42,914,455	42,914,455
Accumulated Funds		39,625,820	9,894,015
		<u>82,540,275</u>	<u>52,808,470</u>
Non-current Liabilities			
Deferred Income	13	3,665,046	5,979,382
Current Liabilities			
Trade and other payables	14	30,527,867	30,270,794
Total Liabilities		<u>34,192,913</u>	<u>36,250,176</u>
Total Accumulated Funds and liabilities		<u>116,733,188</u>	<u>89,058,646</u>

The financial statements on pages 8 to 29 were approved for issue by the Board of Directors on 31 March 2024 and signed on its behalf by:



Chairman



Board Secretary

Statement of Changes in Funds

	Capital Grant	Accumulated funds	Total
	ZMW	ZMW	ZMW
Year ended 31st December 2022			
At start of year	42,914,455	(3,733,658)	39,180,797
Comprehensive income			
Surplus for the year		13,627,673	13,627,673
At end of year	42,914,455	9,894,015	52,808,470
Year ended 31st December 2023			
At start of year	42,914,455	9,894,015	52,808,470
Comprehensive income			
Surplus for the year		29,731,805	29,731,805
At end of year	42,914,455	39,625,820	82,540,275

Statement of Cash Flows

	Year ended 31 December	
	2023	2022
	ZMW	ZMW
Cash flow from operating activities		
Surplus for the year	29,731,805	13,627,673
Adjustment for Non-Cash items		
Interest income	(387,239)	(86,221)
Depreciation	3,163,322	1,415,980
Amortisation of intangible assets	101,539	84,091
Changes in Working Capital		
Decrease/(Increase) in Inventories	133,828	(50,308)
(Increase)/decrease in Receivables	(26,832,289)	817,723
Increase in trade and other Payables	257,073	6,944,716
Net cash generated from operating activities	<u>6,168,039</u>	<u>22,753,654</u>
Cashflow from investing activities		
Interest Income	387,239	86,221
Purchase of property, Plant and Machinery	8 (4,759,184)	(9,066,996)
Net cash used on investing activities	<u>(4,371,945)</u>	<u>(8,980,775)</u>
Cashflow from financing activities		
Increase in deferred income	(2,314,336)	1,247,765
Net cash from financing activities	<u>(2,314,336)</u>	<u>1,247,765</u>
(Decrease)/increase in cash and cash equivalents	<u>(518,242)</u>	<u>15,020,644</u>
Movement in cash and cash equivalents		
Cash and cash Equivalents at the beginning of the year	23,007,132	7,986,494
(Decrease)/Increase during the year	<u>(518,242)</u>	<u>15,020,644</u>
Cash and Cash Equivalents at the end of the year	12 <u>22,488,890</u>	<u>23,007,138</u>

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 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
IFRS 17 <i>Insurance Contracts</i>	<p>The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.</p> <p>In contrast to the requirements in IFRS 4, which were largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:</p> <ul style="list-style-type: none"> • A specific adaptation for contracts with direct participation features (the variable fee approach) • A simplified approach (the premium allocation approach) mainly for short-duration contracts <p>The main features of the new accounting model for insurance contracts are as follows:</p> <ul style="list-style-type: none"> • The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows) • A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period • Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period 	1 January 2023

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
IFRS 17 Insurance Contracts (continued)	<ul style="list-style-type: none"> The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period. Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense A loss-recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognises a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses Entities should present separately in the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts 	1 January 2023

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statements 2	<p>In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.</p> <p>The amendments aim to help entities provide accounting policy disclosures that are more useful by:</p> <p>Replacing the requirement for entities to disclose their ‘significant accounting policies’ with a requirement to disclose ‘material accounting policy information’ and Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures</p> <p>Replacement of the term ‘significant’ with ‘material’</p> <p>In the absence of a definition of the term ‘significant’ in IFRS, the Board decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board.</p> <p>In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and their nature.</p> <p>Disclosure of standardised information</p> <p>Although standardised information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed.</p>	1 January 2023

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
<i>Definition of Accounting Estimates - Amendments to IAS 8</i>	<p>In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'.</p> <p>The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.</p> <p>Changes in accounting estimates</p> <p>The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.</p> <p>The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.</p>	1 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from Single Transaction- Amendments to IAS 12</i>	<p>In May 2021, the Board issued amendments to IAS 12 Income Taxes, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.</p> <p>Determining the tax base of assets and liabilities</p> <p>The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense).</p>	

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (continued)	<p>This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.</p> <p>Changes to the initial recognition exception</p> <p>Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.</p> <p>Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.</p> <p>Transition</p> <p>An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.</p>	1 January 2023
International Tax Reform- Pillar two Model Rules – Amendment s to IAS 12	The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the organisation for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes; respectively.	

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023

Title	Key requirements	Effective date*
<i>Classification of liabilities as Current or Non-Current Liabilities with Covenants – Amendments to IAS 1</i>	<p>In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> • What is meant by a right to defer settlement • That a right to defer settlement must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right. • That only if an embedded derivative in a convertible liability is itself an equity instrument would the term of a liability not impact its classification. • Disclosures 	1 January 2023

Notes (Continued)

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

(b) Forthcoming requirements

There are a number of standards, amendments to standards, interpretations which have been issued by the IASB that are effective in future periods and the company has decided not to adopt early.

Title	Key requirements	Effective date*
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	The amendment to IFRS 16 <i>Leases</i> specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.	1 January 2024
<i>Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7</i>	<p>In May 2023, the Board issued amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>.</p> <p>The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.</p> <p><i>Characteristics</i></p> <p>The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.</p> <p><i>Disclosure requirements</i></p> <p>The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.</p>	

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 to meet its obligations.

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)

	2023 ZMW	2022 ZMW
6 Revenue		
Accreditation Fees	1,886,833	1,812,582
Assessment Fees	878,850	-
Bank Interest	387,239	86,221
Examination Fees	26,279,733	23,787,543
Enrolment Fees	696,946	31,300
GRZ Grants – Operations	12,364,638	12,364,633
Other Income	1,090,842	510,243
Registration Fees	767,266	998,001
TEVET Fund Management Fees	24,624,055	4,339,500
TEVET Fund Support – Assessment and Certification	20,250,000	22,500,000
TEVET Fund Support – Curriculum and Systems Development	3,713,786	-
TEVET Fund Support – Operations	6,369,543	-
TEVET Fund Support – Quality Assurance	6,750,000	7,500,000
Sale of manuals	2,500	200
World Skills	10,000	346,847
	106,072,231	74,277,069
7 Expenses by nature		
The following items have been charged in arriving at the deficit for the year.		
Remuneration paid to non-executive directors	498,000	-
Amortisation of assets	3,744,283	-
Audit fees	160,000	92,800
Depreciation on property, plant and equipment	3,264,861	1,500,070

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 2022							
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)
Net book value	258,221	1,903,949	660,334	175,441	1,227,813	42,769,678	46,995,436
Year ending 31 December 2022							
Opening net book value	258,221	1,903,949	660,334	175,441	1,227,813	42,769,678	46,995,436
Additions	-	2,280,496	711,027	36,800	1,376,338	4,542,686	8,947,347
Depreciation	(6,422)	(463,654)	(309,293)	(65,074)	(571,537)	-	(1,415,980)
Closing net book value	251,799	3,720,791	1,062,068	147,167	2,032,614	47,312,364	54,526,803
At 31 December 2022							
Cost	321,106	10,919,929	4,426,828	1,288,562	4,809,329	47,312,364	69,078,118
Accumulated depreciation	(69,307)	(7,199,138)	(3,364,760)	(1,141,395)	(2,776,715)	-	(14,551,315)
At 31 December 2022	251,799	3,720,791	1,062,068	147,167	2,032,614	47,312,364	54,526,803

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 2023							
Opening net book value	251,799	3,720,791	1,062,068	147,167	2,032,614	47,312,364	54,526,803
Additions		8,322,148	474,886	82,500	422,336	(4,542,686)	4,759,184
Depreciation	(6,422)	(1,868,021)	(448,680)	(53,449)	(786,750)	-	(3,163,322)
Closing net book value	245,377	10,174,918	1,088,274	176,218	1,668,200	42,769,678	56,122,665
At 31 December 2023							
Cost	321,106	19,242,077	4,901,714	1,371,062	5,231,665	42,769,678	73,837,302
Accumulated depreciation	(75,729)	(9,067,159)	(3,813,440)	(1,194,844)	(3,563,465)	-	(17,714,637)
At 31st December 2023	245,377	10,174,918	1,088,274	176,218	1,668,200	42,769,678	56,122,665

Notes (Continued)

	2023 ZMW	2022 ZMW
9 Intangible assets		
At start of the year	322,068	286,510
Additions	-	119,649
Amortisation	(101,539)	(84,091)
At end of the year	220,529	322,068

The intangible assets represent the cost of software that is amortised over the useful life of the assets.

10 Inventory		
Consumables	770,351	904,179
11 Trade and other receivables		
Trade debtors	7,182,393	5,216,994
Revenue Grant Receivable	13,060,095	13,060,095
TEVET Fund Receivable	29,341,176	4,647,533
Staff	607,184	433,937
Provision for doubtful debts	(13,060,095)	(13,060,095)
	37,130,753	10,298,464

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.

12 Cash and cash equivalents

Cash at bank and on hand	22,488,890	23,007,132
	22,488,890	23,007,132

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

Cash and bank balances as above	22,488,890	23,007,132
Bank overdraft	-	-
	22,488,890	23,007,132

Notes (Continued)

	2023 ZMW	2022 ZMW
13 Deferred Income		
Deferred income	<u>3,665,046</u>	<u>5,979,382</u>
	3,665,046	5,979,382

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 and other payables	15,940,582	16,973,790
Employees related accruals	<u>14,587,285</u>	<u>13,297,004</u>
	30,527,867	30,270,794

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 12.36 million during the year under review.

(ii) Key management compensation

Salaries and other short-term employment benefits for Directors and Managers	19,316,576	11,807,805
	<u>19,316,576</u>	<u>11,807,805</u>

(iii) Directors' remuneration

Fees for services as a director	498,000	-
Salary and other benefits (included in(ii) above)	<u>6,345,122</u>	<u>5,776,125</u>
	6,345,122	5,776,125

Notes (Continued)

16. Contingent liabilities

There were no contingent liabilities as at the balance sheet date. (2022: Nil)

17. Capital commitments

	2023	2022
	ZMW	ZMW
Capital expenditure contracted at the end of the reporting period but not yet incurred:	<u>-</u>	<u>4,542,686</u>

18. 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.

19. Comparative figures

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

	Appendix i	
Detailed Operating Statement		
	2023 ZMW	2022 ZMW
Revenue	<u>106,072,231</u>	<u>74,277,069</u>
Direct Expenses		
Training Standards Expenses	8,449,332	6,272,245
Development Expenses	6,977,470	7,700,449
Assessments and Certification Expenses	33,929,930	28,005,908
Total Direct Expenditure	<u>49,356,732</u>	<u>41,978,601</u>
Less:		
Administration costs	<u>26,983,694</u>	<u>18,670,795</u>
Surplus for the year	<u>29,731,805</u>	<u>13,627,673</u>

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	2023 ZMW	2022 ZMW
Training Standards Expenses		
Basic Pay	1,863,927	1,639,869
Transport Allowance	123,863	126,745
Housing Allowance	477,232	322,977
NAPSA	110,916	90,495
Appraisal Bonus	152,191	169,572
Car Allowance	352,800	-
National Health Insurance Scheme	18,524	16,399
Fuel Allowance	48,315	-
Overtime	37,472	-
Conduct Inspection - Registered Institutions	1,004,093	1,055,500
Publish Foreign Boards	-	139,954
Promote & Improve Entrepreneurship & Investment	167,439	26,362
Stationery & Consumables	-	37,724
Cleaning Expenses	-	9,118
Office Refreshments	-	4,939
Office and General Expenses	172,895	24,271
Telephone Charges	78,915	100,308
Electricity Expenses	23,133	21,410
Internet Services	16,808	97,869
Security Services	4,962	69,113
Postage	-	1,625
Medical Expenses	293,459	417,656
Repairs and Maintenance - Office Equipment	43,400	9,377
Group Life Assurance	44,827	30,331
Motor Vehicle Expenses	138,553	376,525
Leave	141,870	149,454
Gratuity	527,636	497,252
Promote Centres of Excellence	99,703	86,390
Inspect New TEVET Applicants	295,708	10,575
Inspect Workplace Based Training/OFL	-	331,900
Motor Vehicle Insurance	100,671	67,013
Gazetting of Registered Institutions	18,300	5,295
World Skills	949,005	-
Accreditation System	2,440	-
Training Provider – Research and Innovation	305,247	-
Leave Travel Benefit	73,010	242,028
Advisory Service	42,043	-
Exam Monitoring – Quality Assurance	640,079	-
Fuel Expenses	72,147	-
Orientation of Training Providers	-	3,700
Repairs and Maintenance - General	-	81,387
Workers Compensation	7,749	9,112
	8,449,332	6,272,245

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	2023 ZMW	2022 ZMW
Curriculum & Training Systems Development Expenses		
Basic Pay	1,616,813	1,497,987
Transport Allowance	289,868	114,741
Housing Allowance	323,362	294,729
NAPSA	90,722	93,136
Appraisal Bonus	100,063	120,636
National Health Insurance Scheme	16,168	14,875
Fuel Allowance	48,315	270,000
Develop New Curriculum Packages	769,298	10,258
World Skills Expenses	-	483,558
Curricular Approval	309,112	193,908
Car Allowance	241,600	-
Research and Innovation	39,360	-
Learning Material Development and Approval	255,616	-
Renewable Energy & Energy Efficiency	-	1,140,810
Logistical Support	-	580
Fuel Expenses	42,458	-
Stationery & Consumables	-	29,035
Cleaning Expenses	-	13,799
Office Refreshments	-	5,856
Office and General Expenses	74,017	8,553
Telephone Charges	72,676	95,309
Electricity Expenses	30,266	21,410
Internet Services	45,926	97,869
Security Services	4,962	69,113
Postage	-	1,625
Medical Expenses	310,109	449,851
Group Life Assurance	43,517	30,331
Repairs and Maintenance - Office Equipment	21,145	9,377
Motor Vehicle Expenses	157,914	289,212
Leave	195,982	176,054
Gratuity	613,309	451,988
Fuel Expenses	560	-
Benchmarking of Curriculum Development Practice	540	9,500
Motor Vehicle Insurance	94,269	67,013
Approve curricula	-	51,063
Develop New Job Profiles	24,449	-
Validate Curricular	1,003,298	184,591
Leave Travel	23,151	242,877
Settling In Allowance	6,283	-
Develop Qualification Descriptors – Curriculum	-	35,288
Develop Guidelines for Accreditation of TEVET Curriculum	104,593	1,034,740
Workers Compensation	7,749	9,113
Repairs and Maintenance – General	-	81,664
	6,977,470	7,700,449

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	2023 ZMW	2022 ZMW
Assessments and Certification Expenses		
Basic Pay	3,720,256	2,917,149
Transport Allowance	558,261	253,290
Housing Allowance	736,491	576,566
NAPSA	211,431	174,064
Appraisal Bonus	313,854	200,682
Acting Allowance	5,357	-
Fuel Allowance	47,315	270,000
National Health Insurance Scheme	34,962	27,911
Institution Affiliation	-	23,861
Car Allowance	575,200	-
Fuel Allowance	52,765	-
Overtime	159,837	-
Exam Delivery, Monitoring and Collection	1,933,872	2,053,175
Conduct & Promote RPL & ODFL	-	85,823
Printing Exams & Assessment	523,398	273,522
Print & Procurement of Answer Booklets	210,613	-
Setting Exams	4,674,182	4,359,882
Type Setting	10,350	21,110
Administer Practical Exams	3,180,861	3,566,510
Administer, Conduct & Improve Trade Test/RPL	3,051,965	1,207,144
Marking SETT	7,444,779	6,735,122
Stationery & Consumables	2,368,923	1,865,241
Cleaning Expenses	-	15,536
Office Refreshments	-	24,993
General Expenses	1,360	77,403
Telephone Charges	144,815	144,308
Electricity Expenses	26,699	21,410
Internet Services	40,082	97,869
Security Services	-	69,113
Postage	10,525	10,900
Medical Expenses	272,761	322,847
Group Life Assurance	44,245	30,331
Repairs and Maintenance - Office Equipment	47,836	25,921
Motor Vehicle Expenses	158,211	316,273
Leave	423,120	257,759
Gratuity	1,491,642	917,732
Practical Assessment	-	22,160
Procure Certificates	843,757	352,931
Motor Vehicle Insurance	94,269	67,013
Training of Assessors, Trainers, Invigilators, & Moderators	227,607	48,056
Workers Compensation	7,749	9,113
Leave Travel Benefit	198,580	442,748
Settling In Allowance	-	30,276
Relocation	-	8,500
Print and Distribute Certificates	82,000	-
Repairs and Maintenance - General	-	81,664
Total	33,929,930	28,005,908

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	2023 ZMW	2022 ZMW
Management Support Services Expenses		
Basic Pay	5,994,131	4,945,086
Transport Allowance	877,788	389,529
Housing Allowance	1,190,294	978,069
NAPSA	346,665	271,078
Acting Allowance	41,746	-
Bonus Appraisal	457,157	415,193
National Health Insurance Scheme	53,363	46,036
Fuel Allowance	161,562	-
Overtime	96,009	-
Publicity & Participation in TEVET Events	127,877	72,485
Motor Vehicle Replacement & Fuel Allowance	936,819	564,000
External Audit - Financial Statement Conducted	217,548	126,400
Regular and Special Meetings	1,062,258	67,315
Staff Training & Development	1,762,943	1,016,709
Participation in Regional Conference	-	387,804
Team Building	20,571	223,235
Recruitment	86,808	182,619
Administer & Maintain IT System	2,801,147	1,279,338
Branded Promotional Activities of TEVET	-	27,500
Facilitate Stakeholder Forum	-	46,820
Printing & Distribution of Dairies and Calendars	374,000	44,660
Stationery & Consumables – Finance and Accounts	18,646	145,047
Stationery & Consumables – Procurement Unit	-	15,270
Stationery & Consumables – Director General	-	30,355
Stationery & Consumables – Audit	-	16,324
Stationery & Consumables – Human Resource	-	12,477
Cleaning Expenses – Finance and Accounts	-	27,921
Cleaning Expenses – Human Resource	-	41,628
Cleaning Expenses – Procurement Unit	-	125
Office and General Expenses – Finance and Accounts	936,367	22,194
Office Refreshments – Procurement Unit	-	1,836
Office Refreshments – Audit	-	2,519
Office Refreshments – Director General	-	13,110
Office Refreshments – Human Resource	-	12,298
General Expenses	-	328,971
Telephone Charges	222,941	218,817
Electricity Expenses	28,248	21,679
Internet Services	97,306	98,229
Security Services	-	69,113
Postage	13,325	4,690
Medical Expenses	296,710	437,407
Group Life Assurance	55,590	30,331
Repairs and Maintenance - Office Equipment	4,613	61,926
Repairs and Maintenance – General	1,033,217	118,615
Motor Vehicle Expenses	309,661	354,209
Carried forward	19,625,310	13,168,967

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	2023 ZMW	2022 ZMW
Management Support Services Expenses (continued)		
Brought forward	19,625,310	13,168,967
Depreciation	3,264,861	1,500,070
Bank Charges	148,666	152,057
Leave	793,582	367,593
Gratuity	2,047,983	1,533,686
Stock Adjustment	6,131	150
Settling In Allowance	80,614	8,689
Computer Insurance	-	2,703
Women's Day Celebrations	4,408	23,061
Labour Day Celebrations	39,725	41,260
Health Awareness & Improvement	33,240	-
News Letter Production & Distribution	147,064	52,200
Advertising	161,443	239,728
Facilitate Bids/Tender and Evaluation Meetings	13,281	6,050
Specialised Consultancy	-	23,622
Facilitate TEVET Conferences and Skills Competition	-	384,171
Motor Vehicle Insurance	100,026	79,616
Work Plan and Budget Expenses	12,481	-
Provision for Bad Debt	-	50,410
Stakeholder Forum & Sensitisation Workshop	274,718	112,372
Review and Update IEC Strategy	80,955	76,440
Facilitate Procurement Committee Meetings	-	6,650
Workers Compensation	15,497	9,113
General Administration	-	3,311
Review & Update Strategic Plan	-	24,614
Leave Travel Benefit	98,573	775,252
Screen and Evaluate Supplier Registration	-	27,250
Debt Collection Charge	35,136-	1,760
	-	-
	<u>26,983,694</u>	<u>18,670,795</u>

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CONCLUSION

Priority placed on TEVET through the provision of combined sponsorships in the sector resulted into increased enrolments. In the year under review, more than 96, 475 citizens were enrolled in the sector against 78, 900 in 2022. The sponsorships in the technical and vocational training are through Youth Skills Empowerment Programme (under the TEVET Fund), Constituency Development Fund (SDF) Skills Bursary (under constituencies/councils) and technical and vocational bursary under the Ministry of Technology and Science. The Authority also faced financial constraints in meeting the AW&B coupled with an increase in the number of illegal institutions because 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. 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 Eight National Development Plan (8NDP) which places high premium on the TEVET sector for job and wealth creation.

OUTLOOK FOR 2023

The year 2023 has many opportunities to increase access to TEVET and repositioning the sector for economic transformation, wealth and job creation. The introduction of the Constituency Development Fund (CDF) skills bursary and increasing cooperating partners' interest to collaboration in skills development are critical to the sector. The CDF skills bursary is enabling youths to get skills to effectively participate in the economy. The increased enrolments in skills training programmes have resulted into high demand for quality assurance services to address illegal training activities in the sector. Improving stakeholder engagement and industry involvement in skills development value chains as well as developing appropriate TEVET management information system (MIS) will be the priority in 2024 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 operationalization of the payment gateway will be priority in the years. The question bank system will enhance security and efficiencies in TEVET assessment. The development and review of curricula in collaboration with industry and employers will be critical to ensure relevance and competitiveness of the country's workforce in line with national development aspirations.

VISION

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

MISSION

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

CORE 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

