



**ZAMBIA QUALIFICATIONS AUTHORITY**  
**ANNUAL REPORT 2018**

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P.O. Box 32344  
Lusaka, Zambia

Stanbic Bank Zambia  
Lusaka Main Branch  
PO Box 32111  
Lusaka, Zambia

### Our Independent Auditors

M Sakala & Associates  
Chartered Accountants  
No. 28 Plot 1789, Lubambe Road,  
Northmead  
Lusaka, Zambia



## ACRONYMS AND ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
CATS	Credit Accumulation and Transfer System
CBU	Copperbelt University
ECZ	Examinations Council of Zambia
EIZ	Engineering Institution of Zambia
GNCZ	General Nursing Council of Zambia
HPCZ	Health Professions Council of Zambia
ICT	Information Communication Technology
Mbps	Megabits per second
MDD	Management Development Division
MoU	Memorandum of Understanding
NAPSA	National Pension Scheme Authority
NIPA	National Institute of Public Administration
PAYE	Pay As You Earn
QMIS	Qualifications Management Information System
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SADC	Southern African Development Community
SADCQVN	Southern African Development Community Qualification Verification Network
SI	Statutory Instrument
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
ZAQA	Zambia Qualifications Authority
ZCILT	Zambia Chartered Institute of Logistics and Transport
ZICA	Zambia Institute of Chartered Accountants
ZIPS	Zambia Institute of Purchasing and Supply
ZIM	Zambia Institute of Marketing
ZIHRM	Zambia Institute of Human Resource Management
ZICA	Zambia Institute of Chartered Accountants
ZQF	Zambia Qualifications Framework

## ZAQA VISION, MISSION AND CORE VALUES

### **VISION**

A credible and efficient regulator of national qualifications for local and international comparability

### **MISSION**

To ensure local and international recognition of qualifications.

### **CORE VALUES**

#### ***Professionalism***

We exhibit competence, commitment, good judgment, conduct and behavior and promote a positive corporate image in the execution of our duties.

#### ***Integrity***

We put the obligations of the Authority above one's personal interests and conduct ourselves in a manner beyond reproach.

#### ***Transparency***

We are open and communicate effectively in the discharge of our duties.

#### ***Team Work***

We cooperate with others and work to the best of our abilities, despite any personal conflict that may arise between individuals to foster unity of purpose.

#### ***Excellence***

We provide superior and meritorious services beyond our clients' expectations.

#### ***Confidentiality***

We are trustworthy by not revealing or disclosing privileged information to unauthorised persons.





## PICTURES OF SOME ACTIVITIES PERFORMED DURING THE YEAR



Study tour to the South African Qualifications Authority (SAQA) between 22<sup>nd</sup> and 26<sup>th</sup> October 2018



Networking breakfast for Human Resources personnel held on Thursday 13<sup>th</sup> September 2018 at Southern Sun Hotel, Lusaka



Exhibition at the 92<sup>nd</sup> Agriculture and Commercial Show between 31<sup>st</sup> July and 6<sup>th</sup> August, 2018.



Exhibition at the 54<sup>th</sup> Zambia International Trade Fair in Ndola between 27<sup>th</sup> June to 3<sup>rd</sup> July, 2018.



CEO addressing experts during the Experts Training at Radisson Blue



Meeting of the SADC Technical Committee on Certification and Accreditation (TCCA) held on 24<sup>th</sup> -25<sup>th</sup> May 2018 in Johannesburg, South Africa

In 2018, ZAQA operated without a Board. Governance oversight was provided by the Ministry of Higher Education through the Permanent Secretary.

## GOVERNANCE



**Mr. Mabvuto Sakala**  
Permanent Secretary  
Ministry of Higher Education

## EXECUTIVE MANAGEMENT



**Mrs. Mirriam M.A Chiyaba**  
Director  
& Chief Executive Officer



**Mr. Cleophas Takaiza**  
Assistant Director  
Technical



**Mrs. Mercy M. Ngoma**  
Assistant Director  
Corporate Services

## CONTENTS

ACRONYMS AND ABBREVIATIONS.....	ii
VISION.....	iii
MISSION.....	iii
CORE VALUES .....	iii
OTHER ACTIVITIES PERFORMED DURING THE YEAR.....	iv
EXECUTIVE MANAGEMENT .....	v
EXECUTIVE SUMMARY .....	1
1.0 INTRODUCTION.....	2
1.1 Mandate.....	2
2.0 OPERATIONAL REVIEW FOR THE PERIOD JANUARY TO SEPTEMBER 2018.....	3
2.1 Strategic Objective 1.....	3
2.2 Strategic Objective 2 .....	5
2.3 Strategic Objective 3 .....	7
3.0 CORPORATE SERVICES .....	10
3.1 Information Communications Technology .....	10
3.1.1 Development of the Qualifications Management Information System .....	10
3.1.2 Network Security .....	11
3.1.3 Internet Upgrade .....	11
3.2 Human Resources and Administration.....	11
3.2.1 Staff establishment .....	11
3.2.2 Office Space .....	11
3.2.3 Transport.....	11
3.3 Finance .....	12
APPENDIX II .....	15



## EXECUTIVE SUMMARY

### Introduction

The Zambia Qualifications Authority (ZAQA) is a statutory body under the Ministry of Higher Education established by the ZAQA Act No. 13 of 2011 to develop, oversee and maintain a national qualifications framework for Zambia. The functions of ZAQA include the registration and accreditation of qualifications, validation and evaluation of qualifications and ensuring that standards and registered qualifications are internationally comparable. The detailed functions of ZAQA are outlined in the ZAQA Act No. 13 of 2011. ZAQA is also guided by Statutory Instrument (SI) No. 4 of 2018 on Accreditation, Validation and Evaluation of Qualifications.

### Operational Overview

The operations of the Authority during the year under review were guided by an approved Annual Work Plan and Budget whose focus was on the implementation of the Zambia Qualifications Framework (ZQF). The approved SI provided guidance to the Authority on the registration and accreditation of qualifications which commenced in 2018. By end of the year, 88 qualifications had been evaluated for registration and accreditation on the ZQF. In the year under review, the Authority developed a Strategic Plan 2018 to 2021.

The Authority recognizes that successful implementation of the ZQF requires concerted efforts from all stakeholders who include Quality Assurance Bodies, Awarding Bodies, institutions of learning, industry/employers and all those that have an interest in the quality of qualifications being issued in Zambia. To put this in effect, the Authority engaged various stakeholders through different platforms in order to share the objectives of the ZQF.

To ensure improvement in standards and quality of qualifications, ZAQA has provided guidelines on internationally accepted outcomes at qualification level through the qualification level descriptors. Further, ZAQA continued to validate qualifications for authenticity. During the year under review, the Authority validated 1,225 qualifications out of which 3.7% were found to be misrepresented. This attests to the fact that not all qualifications presented may be genuine qualifications.

The Authority recruited nine (9) new members of staff in the year under review bringing the total staff compliment to twenty-one (21) at close of the year. Further, the Authority acquired additional office space in order to accommodate the increase in staff numbers.

### Corporate Governance

The Authority operated without a Board during the period under review with the Ministry of Higher Education providing governance oversight and support.

### Financial Performance

A total of ZMW10,694,725 was received in the period under review with 88% being Government Revenue Grant. The Authority did not receive funding from government for the months September 2018 to December 2018. The Authority recorded an operating deficit of ZMW933,214 in the year under review.



## 1.0 INTRODUCTION

### 1.1 Mandate

The Zambia Qualifications Authority was established under the Zambia Qualifications Authority Act No. 13 of 2011. The functions of the Authority among others are as follows: -

- (a) develop, oversee and maintain a national qualifications framework for Zambia;
- (b) develop and implement policy and criteria, after consultation with the appropriate authority, for the development, accreditation and publication of qualifications and part- qualifications, which shall include the following requirements:
  - (i) the relevant sub-framework shall be identified on any document relating to the accreditation and publication of a qualification or part - qualification; and
  - (ii) each sub-framework shall have a distinct nomenclature for its qualification types which is appropriate to the relevant sub-framework and consistent with international practice;
- (c) accredit a qualification or part-qualification recommended by an appropriate authority if it meets the relevant criteria;
- (d) develop policy and criteria after consultation with the appropriate authorities for assessment, recognition of prior learning and credit accumulation and transfer;
- (e) develop the content of level descriptors for each level of the Framework and reach agreement on the content with the appropriate authorities;
- (f) publish the agreed level descriptors in the Gazette and ensure that the levels remain current and appropriate;
- (g) ensure that standards and accredited qualifications are internationally comparable;
- (h) determine national standards for any occupation;
- (i) recognise and validate competencies for purposes of certification obtained outside the formal education and training systems;
- (j) recognise and validate competencies for purposes of certification obtained outside the country;
- (k) collaborate with its international counterparts on all matters of mutual interest concerning qualification frameworks;
- (l) keep a database of learning achievements in Zambia;
- (m) advise the Minister on matters pertaining to the Framework; and
- (n) do all such things as are necessary or conducive for the achievement of the purposes of this Act.

## 2.0 OPERATIONAL REVIEW FOR THE YEAR

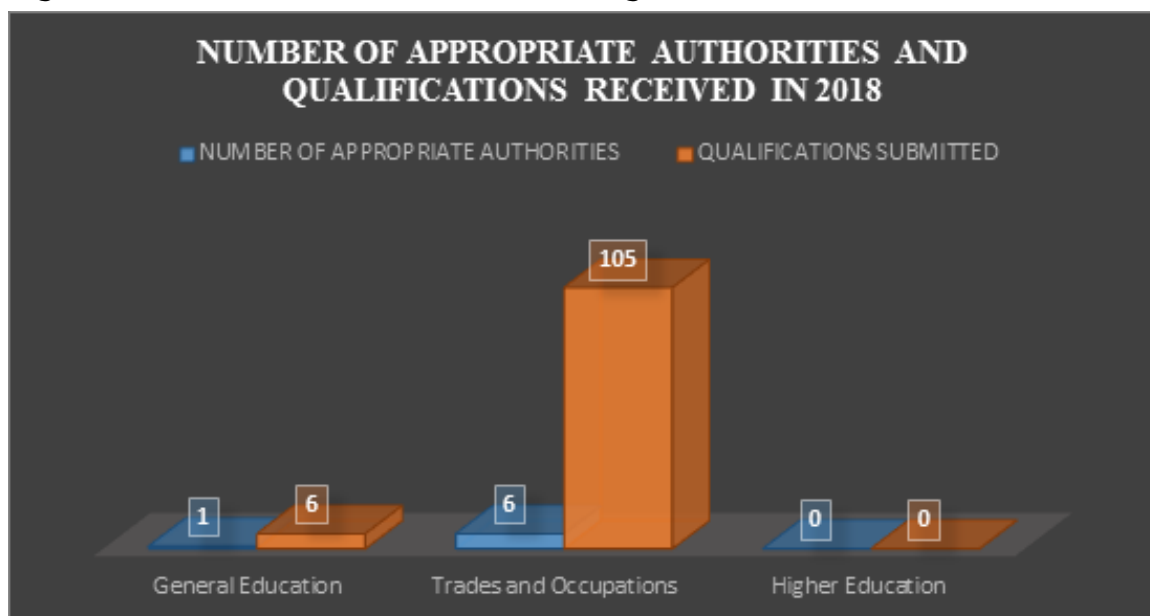
In line with the Mandate in the ZAQA Act No. 13 of 2011, the Authority's Annual Work Plan and Budget for 2018 focused on operationalising the ZQF. In this regard, the strategic objectives that guided the Authority in 2018 and achievements recorded under each objective are as shown below:

### 2.1 **Objective 1: To enhance coordination in the national qualifications system;**

2.1.1 To ensure coordination, ZAQA commenced the registration and accreditation of qualifications on the Zambia Qualifications Framework (ZQF). This ensures that only quality assured qualifications are offered in the Country. Further, ZAQA continued with validation and evaluation of qualifications to ensure authenticity and recognition, locally and internationally.

2.1.2 The Authority received One Hundred and Eleven (111) qualifications from Appropriate Authorities for registration and accreditation on the ZQF in 2018. Fifty (50) have been accredited, Thirty-Eight (38) are not accredited while Twenty-Three (23) were pending evaluation.

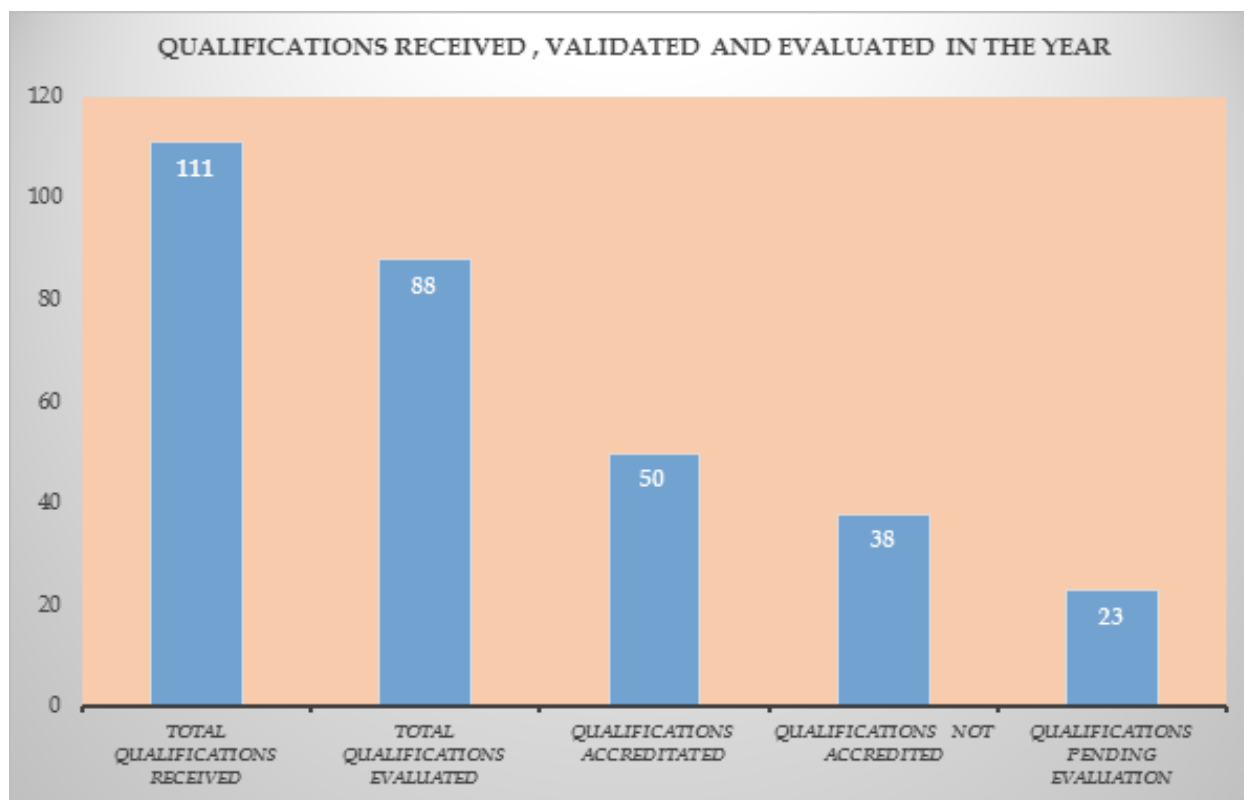
**Figure 1: Qualifications Received in 2018 according to the ZQF Sub frameworks**



**Table 1: Qualifications received according to each Appropriate Authority**

SUB FRAMEWORK	APPROPRIATE AUTHORITY	QUALIFICATIONS RECEIVED
General Education	Examinations Council of Zambia (ECZ)	6
Trades and Occupations	Technical Education Vocational and Entrepreneurship Authority (TEVETA)	42
	Zambia Institute of Marketing (ZIM)	9
	Zambia Institute of Chartered Accountants ZICA)	4
	Association of Chartered and Certified Accountants (ACCA)	6
	General Nursing Council of Zambia (GNCZ)	16
	National Institute of Public Administration (NIPA)	28
<b>Total Number of Qualifications Received</b>		<b>111</b>

**Figure 2: Qualifications accredited, not accredited and pending evaluation.**



### **2.1.3 Challenges Encountered during the Period Under Review**

The following were the challenges encountered during the period under review: -

- i) The Authority only received qualifications for accreditation from the Trades and Occupations and the General Education Sub Frameworks whereas no submissions were received from the Higher Education Sub Framework as a result the annual target set by the Authority could not be achieved. ZAQA and the Higher Education Authority initiated consultations aimed at streamlining the process of submitting higher education qualifications;
- ii) It was observed that Appropriate Authorities who submitted their qualifications for registration and accreditation were doing so in batches. This adversely affected the cost of conducting the qualification evaluation workshops by the Authority in that the workshops had to be organized and conducted as and when qualifications were submitted;
- iii) The format for the qualifications so far received for registration and accreditation lacked uniformity and standardization given that they were all developed prior to the establishment of the current ZAQA criteria. This posed a challenge for the experts when evaluating the qualifications as they had to first reconcile the evaluation requirements and criteria using the ZAQA instrument with the qualifications submitted, before coming up with an appropriate and accurate position of the qualification;
- iv) Due to the learning curve, the length of time it took for the qualifications to be evaluated was far longer than the stipulated 30 days as per the ZAQA S.I. No 4 of 2018;

### **2.1.4. Strategies to Address the Challenges**

The following strategies were put in place in order to address the challenges identified above: -

- ii) Regular engagement of Appropriate Authorities for ZAQA to give guidance on the process of registration and accreditation of qualifications.
- ii) Capacity building of all Subject Matter Experts in the process of validating and evaluating qualifications.



## **2.2 Objective 2: To promote standards and quality assurance of qualifications;**

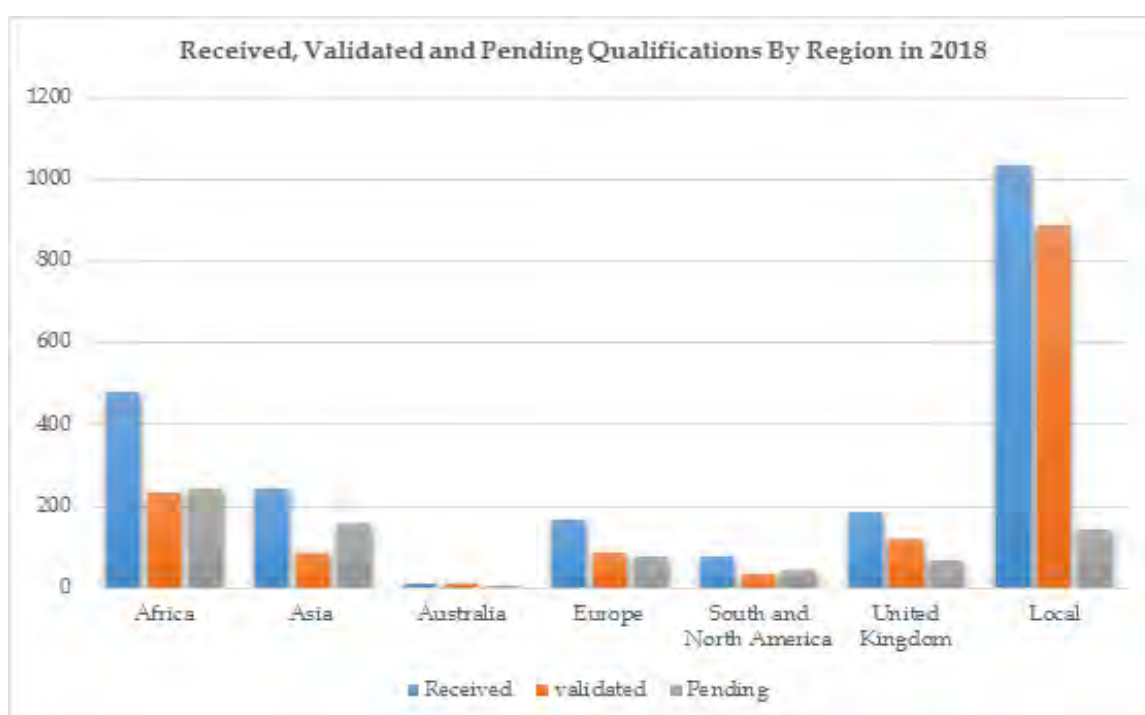
In order to achieve objective 2, the following have been done: -

2.2.1 ZAQA has provided guidelines on internationally comparable standards of outcome statements at different qualification levels to appropriate authorities in order to ensure improvement in standards and quality of qualifications;

### **2.2.2 Validation and evaluation of qualifications**

During the year under review, the Authority validated One Thousand Two Hundred and Twenty-Five (1,225) qualifications out of a total of One Thousand Five Hundred and Sixteen (1,516) qualifications received in the year plus Four Hundred and Eighty-Six (486) qualifications brought forward from 2017. The largest number of validation and evaluations were for qualifications obtained from within Zambia (888) followed by United Kingdom (119), South Africa (74), India (48), United States of America (32), Russia (32) and China (32). The distribution of validated qualifications by region is as presented in Figure 3 below.

**Figure 3: Distribution of validated qualifications by region**



#### **2.2.2.1 Challenges in validating qualifications**

The following challenges were encountered during the year regarding validation of qualifications;

- i) Delay in receiving confirmation of qualifications from awarding bodies despite several times of resending requests for verification;
- ii) Non availability of reliable contact details for intended officials from the awarding bodies;
- iii) Language barriers were encountered especially when calling institutions in various countries whose official language is not English;
- iv) Significant time differences with awarding countries making it difficult to reach them during working hours; and
- v) Some institutions have been closed and their qualifications were not registered by any other accrediting bodies.

#### **2.2.2.2. Mitigation Measures**

The following measures were put in place to address the identified challenges: -

- i) Desktop research on finding new contacts with the purposes of resending requests;

- ii) Engaging embassies in Zambia and the Higher Education Loans and Scholarships Board to facilitate in validation and evaluation;
- iii) Developing a database of accredited institutions and active engagement in verification networks.
- iv) Conducting study visits to key countries where validation services tend to prove a challenge.
- v) To increase sensitization activities.

### **2.2.2.3 Misrepresented qualifications**

A qualification is not recognised if the issuing body is not accredited or recognised in the education system of a particular country in accordance with the national policies, or generally accepted practice of that country. In addition, the qualification is not recognised if the issuing body is recognised or accredited, but not authorised to offer that particular qualification or the qualification is not a part of the national system of qualifications. The qualification will also not be recognised if it is not authentic and was not awarded to the individual in question.

During the year under review, 46 qualifications were established to be misrepresented. Consequently, notices of rejection were issued to the applicants. The largest proportion of misrepresented qualifications were from local institutions.

## **2.2.3 Recognition of Appropriate Authorities**

During the period under review the Authority received a total of seven (7) applications for recognition as an Appropriate Authority. Evaluation process was undertaken which included desktop evaluations and institutional audits. The results of the evaluations were as follows:

- i) Six (6) institutions were recognised as Appropriate Authorities and these were the following: Chartered Institute of Management Accountants (CIMA), General Nursing Council of Zambia (GNCZ), Association for Business Executives. (ABE), Zambia Chartered Institute of Transport and Logistics (ZCILT), Zambia Institute of Purchasing and supply. (ZIPS) and Zambia Institute of Tourism and Hospitality Studies. (ZITHS)
- ii) One (1) institution, Chartered Institute of Risk and Security Management (CIRSM) was still being assessed for recognition.

### **2.2.3.1 Challenges in evaluating Appropriate Authorities**

We experienced delayed feedback by most institutions in providing or addressing issues raised after audits (i.e. providing additional evidence and submission of corrective action plans) leading up to the granting of recognition status as an Appropriate Authority.

### **2.2.3.2 Strategies and recommendations**

ZAQA will continue to engage stakeholders on the importance of having the recognition status as an Appropriate Authority for purposes of registering and accrediting qualifications.

## **2.2.4 Alignment of the Zambia Qualifications Framework (ZQF) to the SADC Qualifications Framework (SADCQF)**

The alignment process of the ZQF to SADCQF commenced in 2017. The National Alignment Committee (NAC) made up of Awarding and Quality Assurance Bodies, was established in September 2017 with ZAQA as Secretariat. The NAC successfully completed the first phase of the alignment process having submitted the Self-Assessment Report which was approved by SADC in April 2018.

During the year under review, the process of consultations and drafting the final alignment report commenced.

## 2.2.5 Strategic Partnerships

In order to successfully implement the national qualifications framework, ZAQA needs to work closely with other stakeholders, locally, regionally and internationally.

2.2.5.1 ZAQA signed a Memorandum of Understanding (MoU) with the Engineering Institution of Zambia (EIZ) and the Teaching Council of Zambia. Further, the Authority engaged the Health Professions Council of Zambia (HPCZ) and ZIHRM for collaboration and eventual signing of MoUs.



*MoU Signing with TCZ at Mulungushi International Conference Centre, Lusaka*



*Entertainment at the MoU signing ceremony with TCZ*

2.2.5.2 ZAQA provided administrative and technical support to the SADC Secretariat from July 2017 to June 2018 towards the implementation of the SADC Qualifications Framework in the following focus areas: SADC alignment, Verifications, Quality Assurance, Articulation and RPL and Communication and Advocacy. ZAQA was responsible for coordinating the SADC Member states in Advocacy and Communication of the SADCQF.

2.2.5.3 ZAQA provided technical support to the COMESA Secretariat in the development of a qualification recognition matrix to be used by COMESA for purposes of recruitment of personnel to the Secretariat.

2.2.5.4 ZAQA represented Zambia at the UNESCO inter - governmental consultative meeting on the Global Convention on the Recognition of Qualifications in Higher Education. The Director and Chief Executive Officer was elected Vice Chairperson of the meeting in recognition of the inputs as an expert to the Global Convention Committee.

2.2.5.5 In order to ensure recognition of the Zambian qualifications regionally and internationally, ZAQA participated in various meetings of UNESCO, the AQVN and the Groningen Declaration Network

## 2.3 **Objective 3: Set Strategic Direction for the Authority**

In the year under review, the Authority, through assistance and guidance of the MDD, developed a strategic plan for the period 2018 to 2021. As at end of the year, the Authority had written to MDD to request for assistance in the development of the implementation plan. The Annual Work Plan and Budget for 2019 was developed in line with aspirations of the Strategic Plan.

## 2.4 **Objective 4: Maintain a database of learning achievements in Zambia**

One of the functions of the Authority is in line with section 9 (1) (I) on the ZAQA Act is to keep a database of learner achievements in Zambia. ZAQA through the help of a consultant, CBU, developed a Qualifications Management Information System. Implementation of the system commenced in 2018 with the system being piloted by end of the year.

The Authority also agreed with CBU to host the system during the pilot phase to ensure that the developers had access to the system to address any identified issues. The database will ease the process of validating Zambian qualifications and present the Authority as a one-stop centre for all



qualification matters. The QMIS was handed over to the Authority on 10th August 2018. The live environment was secured to ensure that the system was protected from hackers. An online application hub was set up to allow walk-in customers to make their applications online. Some of the functions the system will perform are:

- Process applications for validation and evaluation by qualification holders;
- Process applications for registration and accreditation of qualifications;
- Process applications for the recognition as appropriate authorities;
- Process the development of National Occupational Standards.

The system has incorporated online payments via VISA transactions and enables applicants to choose the payment method.

**2.5 Objective 5: To enhance the visibility of the Authority**

In 2018, the Authority had planned to develop an IEC strategy and conduct activities aimed at enhancing the image of the Authority to the public in line with the developed strategy. However, due to funding challenges, some planned activities could not be conducted. However, the following activities were conducted in the year: -

- i.) Exhibition at the 54th International Trade Fair in Ndola;
- ii.) Exhibition at the 92nd Zambia Agriculture and Commercial Show (ZACS);
- iii.) Networking breakfast with Human Resources personnel;
- iv.) Developed some adverts to be aired on radio in 2019;
- v.) Print media advertisement in the following: Zambia Institute of Marketing (ZIM) Magazine, Zambia Institute of Human Resource Management (ZIHRM) Magazine and Silver Fox for Nkwazi Magazine;
- vi.) Exhibition and presentation at the Annual Convention for the Zambia Institute of Human Resource Management (ZIHRM) and AGM for ZIM.



Some participants of the Networking Breakfast held at Southern Sun, Lusaka



The Registration and Accreditation Manager, Mr. Tyson Simuzingili attends to clients during the 92nd ZACS

**2.6 Objective 6: To enhance ZAQA's institutional capacity to carry out its mandate**

In order to enhance institutional capacity and effectively deliver on its mandate, ZAQA carried out the following: -

- 2.6.1 Recruited nine (9) additional staff;
- 2.6.2 Procured two (2) additional vehicles to facilitate monitoring visits;
- 2.6.3 Secured additional office space on the Mezzanine Floor to accommodate the additional staff;
- 2.6.4 Conducted a study visit to South Africa Qualifications Authority to learn how South Africa had successfully implemented the qualifications framework;



ZAQA employees that visited SAQA with some members Of staff from the host



Some ZAQA and SAQA staff listening in to a presentation during the study tour

Table 2 below shows the Output Matrix for the 2018 Annual Work Plan and Budget indicating targets, expected output and the level of achievement by end of the year.

**Table 2: 2018 Output Matrix**

S/N	STRATEGIC OBJECTIVE	TARGET	OUTPUT	OUTPUT ACHIEVED
1	Promote an education sector that is well coordinated in relation to award of qualifications	75% of received applications for registration and accreditation processed within 30 days	Qualifications registered and accredited	<ul style="list-style-type: none"> <li>78% of received qualifications evaluated</li> </ul>
		To recognize 10 appropriate authorities for purposes of registering and accrediting qualifications on the ZQF.	Appropriate Authorities Recognized	6 appropriate authorities recognized (60%)
		90% of applications received for validation and evaluation processed	Qualifications / competences validated & evaluated	<ul style="list-style-type: none"> <li>72% of applications received in 2018 processed by end of the year.</li> </ul>
2	Improve standards and quality assurance of qualifications	Development of new policies and guidelines	New policies and guidelines developed	Could not be conducted due to inadequate funding
		Facilitate Development of 6 Occupational Standards	6 Occupational Standards Developed	Could not be conducted due to inadequate funding
		Facilitate review of 2 legislative documents	Legal frameworks strengthened	Could not be conducted due to inadequate funding
		2 regional collaborative agreements	Strengthened collaborations and efficient delivery of services to clients	<ul style="list-style-type: none"> <li>1 Regional Collaboration with SAQA undertaken</li> </ul>
		6 local collaborative agreements		2 agreements signed with the following: - <ul style="list-style-type: none"> <li>Engineering Institution of Zambia,</li> <li>Teaching Council of Zambia.</li> </ul>
		10 Monitoring visits conducted	Level Descriptors adhered to	Could not be conducted due to inadequate funding
		Develop and implement Strategic Plan for ZAQA.	Strategic Plan in place	ZAQA strategic plan for 2018-2021 developed. Development of implementation plan underway
		5 institutions developing own policies on RPLs	RPL adopted by majority of awarding bodies	6 RPL promotion visits to strategic institutions were carried out.
		4 Study tours undertaken	Improved service delivery	1 Study Tour successfully conducted to South African Qualifications Authority (SAQA) due to inadequate funding
4 Audits of a sector conducted every year	At least 1 audit conducted in the sector.	4 verification audits conducted		
3	To establish mechanisms for a centralised record of learner achievement in Zambia	Management information system commissioned/ operationalized	Management Information Systems operational	QMIS under pilot

S/N	STRATEGIC OBJECTIVE	TARGET	OUTPUT	OUTPUT ACHIEVED
4	To enhance the visibility of the ZAQA	4 workshops, 2 Show exhibitions, 4 Radio adverts, 4 TV adverts, 4 Radio programmes, 4 TV Programmes, 4 Print media adverts, road shows	Stakeholder awareness of ZAQA's existence and activities enhanced.	2 show exhibition's, 3 print media adverts, 2 radio adverts developed, 1 networking breakfast / sensitisation conducted  A number of planned activities could not be conducted due to inadequate funding
		Conduct 4 verification visits to monitor inputs into the Qualifications Management Information System (QMIS)	QMIS implementation Monitoring reports	System uploads by awarding bodies could not commence due to system challenges
		IEC Strategy in place	IEC document in place	Could not be developed due to inadequate funding
5	To enhance ZAQA's institutional capacity to carry out its mandate effectively	Develop 1 HR Policy and update of the terms and conditions of service	Policies developed	Could not afford to engage a consultant to develop the HR Policy due to inadequate funding
		To recruit 12 additional staff	Staff recruited	• 9 additional staff recruited
		24 employees accommodated	Staff accommodated in a conducive working environment	• Additional office space secured to accommodate 21 employees

### 3.0 CORPORATE SERVICES

The Corporate Services of the Authority comprise the following support functions: -

- i) Information Communications Technology;
- ii) Human Resources and Administration; and
- iii) Finance.

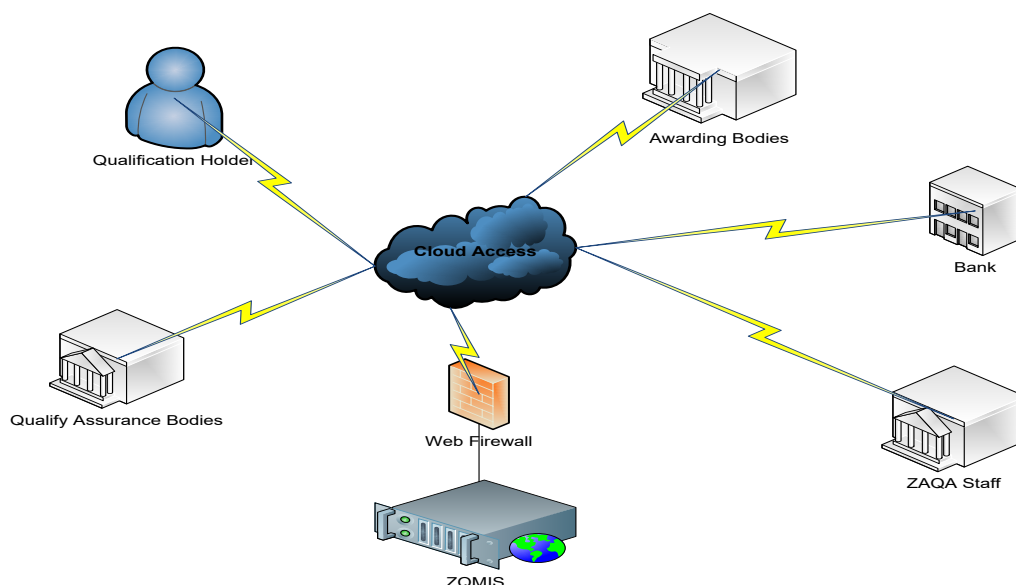
#### 3.1 Information Communications Technology

##### 3.1.1 Development and Implementation of the Qualifications Management Information System

The Authority, in line with Section 9 (1) (l) of the Zambia Qualifications Authority Act No. 13 of 2011 has the mandate to keep a database of learning achievements in Zambia. Consequently, the QMIS was developed as highlighted in Strategic Objective 4 above. During the period under review, system testing commenced and issues noticed were rectified by the developer. It was agreed that due to budgetary constraints, the system would be hosted by the developers, CBU. This would also give access to the developers to work on any issues that would be identified in the implementation of the system.



**Figure 4: System Design Interface and Security**



### 3.1.2 Network Security

In June, 2018 a firewall was procured in order to enhance security on the ZAQA network.

### 3.1.3 Internet Upgrade

In order to accommodate the QMIS and the increased demand on internet resources, the Authority upgraded internet bandwidth from 2Mbps to 4Mbps in March 2018.

## 3.2 Human Resources and Administration

### 3.2.1 Staff establishment

At the end of the year, 21 positions were filled from an establishment of 33 as shown below.

**Table 3: Staffing levels by Department**

DIVISION	STAFF ESTABLISHMENT	FILLED POSITIONS	VACANCIES
Office of the Director	6	4	2
Technical Division	14	10	4
Corporate Services Division	13	7	6
<b>Total</b>	<b>33</b>	<b>21</b>	<b>13</b>

### 3.2.2 Office Space

Due to increase in staff numbers the Authority acquired additional office space on the Mezzanine floor of the same building. An online application hub has been created to encourage walk-in customers to make their applications online.

### 3.2.3 Transport

The Authority procured two (2) additional pool motor vehicles in the year under review.

### 3.3 Finance

The following section looks at financial performance for the Authority in the year under review.

#### 3.3.1 Budget Performance

The total approved budget for 2018 was ZMW17,484,075. Of the budgeted amount, the Authority received ZMW10,694,725 as indicated in table 4 below.

**Table 4: Budgeted and received income**

	Annual Budget Vs Actual Performance		
	Actual	Budget	Variance
	ZMW	ZMW	ZMW
Government funding	9,369,380	14,054,075	(4,684,695)
Registration & accreditation	500,000	2,385,000	(1,885,000)
Validation and Evaluation	615,695	940,000	(324,305)
Other Income	209,650	105,000	104,650
<b>Totals</b>	<b>10,694,725</b>	<b>17,484,075</b>	<b>(6,789,350)</b>

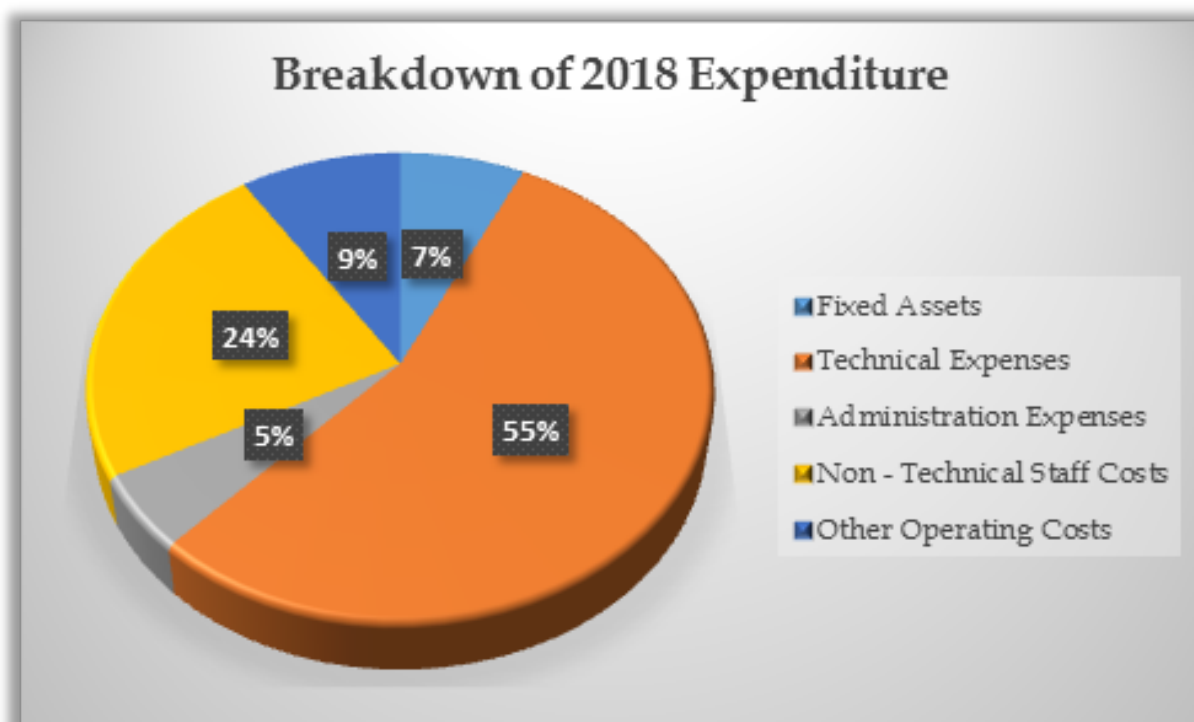
Funding from Government for the months of September 2018 to December 2018 was not received by the Authority. This was the major reason why a number of planned activities in the year could not be carried out.

#### 3.3.1 Financial Performance

The Authority recorded an operating deficit of ZMW933,214 in the year under review. Expenditure for the year amounted to ZMW11,627,939. The Authority also purchased fixed assets at a cost of ZMW890,339.

The Pie Chart below shows a breakdown of expenditure in the year 2018

*Figure 5: Breakdown of expenditure for 2018*



## 5.0 FINANCIAL STATEMENTS

Management has the pleasure in submitting their report on the operations of the Zambia Qualifications Authority covering the year to 31st December 2018.

### 1. Nature of Entity

The Zambia Qualifications Authority is a statutory body under the Ministry of Higher Education established by the Zambia Qualifications Authority Act No. 13 of 2011.

### 2. Principal Activities

The principal activities of the Authority are: -

- i. the development and implementation of a national qualifications framework;
- ii. registration and accreditation of qualifications;
- iii. provision of measures to ensure that standards and registered qualifications are internationally comparable; and
- iv. provision for matters connected with, or incidental to, the foregoing.

### 3. Financial Results

	<b>Year Ended 31 December 2018 ZMW</b>	<b>Year Ended 31 December 2017 ZMW</b>
Income	<b>10,694,725</b>	7,470,410
Expenditure	<b>(11,627,939)</b>	(7,102,103)
(Deficit) / Surplus for the Year	<b>(933,214)</b>	368,307

### 4. Property, Plant and Equipment

During the year under review, the Authority purchased property, plant and equipment amounting to ZMW890,339 (2017: ZMW1,665,884). In the opinion of the Directors, the fair values of the Fixed Assets are not less than the amounts at which they are included in the financial statements.

### 5. Number of Employees

The total remuneration paid was ZMW7,701,442 (2017: ZMW4,587,058) and the Authority had Twenty-one (21) employees at the close of the year under review (2017: 12)

### 6. Events Subsequent to the Year End

There have been no circumstances, facts or events of a significant or material nature impacting the business that have occurred between the period end and the date of this report.

### 7. Directors

The Directors' tenure of office ended on 19th August 2017 when their respective appointments ended. From 20th August 2017 to 31st December 2018, the Authority operated without a Board of Directors. The Permanent Secretary - Ministry of Higher Education provided the overall guidance during this period.



## Statement of Responsibility and Approval of Financial Statements

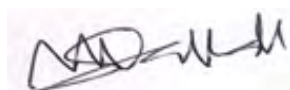
Section 22 and 23 of the Zambia Qualifications Authority Act requires the Authority to maintain proper books of accounts and to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Authority and of the surplus or deficit for that period. In preparing these financial statements, Management of the Authority have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed the applicable accounting standards. Management are responsible for ensuring that the Authority keeps proper accounting records which disclose with reasonable accuracy at any given time, the financial position of the Authority. Management are also responsible for safeguarding the assets of the Authority and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Sections 22 and 23 of the Zambia Qualifications Authority Act No. 13 of 2011, we, the Management of the Authority are of the opinion that:

- a) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2018;
- b) The Statement of Comprehensive Income is drawn up so as to give a true and fair view of the performance of the Authority for the year ended 31 December 2018; and
- c) There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

Management are also responsible for the Authority's system of internal controls. These controls are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and loss. Nothing has come to the attention of Management to indicate that any material breakdown on the functioning of these controls, procedures and systems has occurred during the period under review.

The financial statements which appear on pages 17 to 26 were approved by the Ministry of Higher Education through the office of the Permanent Secretary.



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**Permanent Secretary**  
**Ministry of Higher Education**  
**Date: 25/03/2019**



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**Director and Chief Executive Officer**  
**Zambia Qualifications Authority**  
**Date: 25/03/2019**



**M Sakala + Associates**  
**Chartered Accountants**  
**No. 28 Plot 1789**  
**Lubambe Road**  
**P O Box 320180**  
**Lusaka**

## **Independent Auditors' Report**

### **To the Directors of the Zambia Qualifications Authority**

#### **Opinion**

We have audited the financial statements of the Zambia Qualifications Authority which comprise the Statement of Financial Position as at 31 December 2018, the Statements of Comprehensive Income, Changes in The Fund and Cash Flows for the year then ended, and the summary of significant accounting policies and other explanatory notes as set out on pages 21 to 26.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS for Small and Medium Sized Enterprises).

#### **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 ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Auditors' 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 judgment and maintain professional skepticism 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 control.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion

#### Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of Zambia Qualifications Authority as at 31 December 2018, and its financial performance and its cash flows for the year then ended have been properly prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities. The accounting and other records have been kept in accordance with the requirements of the Zambia Qualifications Authority Act No. 13 of 2011.



M Sakala  
Partner  
Certificate No. AUD/F001510  
M SAKALA & ASSOCIATES  
Registered Auditors

Date: 18/03/2019

## Statement of Comprehensive Income

	Note	2018 K	2017 K
Income	6	<b>10,694,725</b>	7,470,410
Technical Expenses	7	<b><u>(6,879,900)</u></b>	<u>(3,602,135)</u>
Surplus before Operating Expenses		<b>3,814,824</b>	3,868,275
Administrative Expenses	3	<b>(654,270)</b>	(501,630)
Other Operating Expenses	4	<b><u>(4,093,769)</u></b>	<u>(2,998,338)</u>
<b>(Deficit) / Surplus for the year</b>		<b>(933,214)</b>	368,307
Other Comprehensive Gains and Losses		<u>0</u>	<u>0</u>
<b>Total Comprehensive (deficit) / surplus</b>		<b><u>(933,214)</u></b>	<u>368,307</u>

The significant accounting policies and the notes set out on page 21 – 26 form an integral part of these financial statements



## Statement of Changes in the Fund

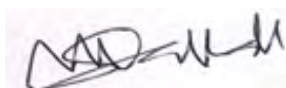
	<b>Accumulated Fund</b>	<b>Total</b>
	<b>K</b>	<b>K</b>
At 1 November 2014	-	-
<b>Comprehensive Income</b>		
Total comprehensive deficit for the 14 month Period	<u>(75,837)</u>	<u>(75,837)</u>
<b>At 31 December 2015</b>	<u><b>(75,837)</b></u>	<u><b>(75,837)</b></u>
At 1 January 2016	(75,837)	(75,837)
<b>Comprehensive Incomes</b>		
Surplus for the Year	<u>1,140,137</u>	<u>1,140,137</u>
<b>At 31 December 2016</b>	<u><b>1,064,300</b></u>	<u><b>1,064,300</b></u>
At 1 January 2017	<b>1,064,300</b>	1,064,300
<b>Comprehensive Income</b>		
Surplus for the Year	<u><b>368,307</b></u>	<u><b>368,307</b></u>
<b>At 31 December 2017</b>	<u><b>1,432,607</b></u>	<u><b>1,432,607</b></u>
At 1 January 2018	1,432,607	1,432,607
<b>Comprehensive Income</b>		
Deficit for the Year	<u>(933,214)</u>	<u>(933,214)</u>
<b>Total Comprehensive Deficit for the Year</b>	<u><b>(933,214)</b></u>	<u><b>(933,214)</b></u>
<b>At 31 December 2018</b>	<u><b>499,393</b></u>	<u><b>499,393</b></u>

The significant accounting policies and the notes set out on page 21 – 26 form an integral part of these financial statements

## Statement of Financial Position

	Notes	2018 K	2017 K
<b>Operating Activities</b>			
Operating (Deficit) / Surplus		(933,214)	368,307
<b>Items Not Involving Movement of Funds</b>			
Depreciation	2	505,896	447,139
Loss on Disposal of Fixed Assets		88,216	-
Profit on Disposal of Fixed Assets		(2,139)	-
Adjustments for Changes in Working Capital			
(Increase) / Decrease in Trade and Other Receivables	6	(296,711)	367,781
Increase / (Decrease) in Trade and Other Payables	5	1,787,209	1,166,978
<b>Cash Generated from Operating Activities</b>		1,149,256	2,350,205
<b>Net Cash inflow from Operating Activities</b>		1,149,256	2,350,205
<b>Investing Activities</b>			
Acquisition of Property, Plant and Equipment	2	(890,340)	(1,665,843)
<b>Net Change from Cash and Cash Equivalents</b>		339,075	684,362
Cash and Cash equivalents at Beginning of year		1,647,419	963,057
	4	1,986,494	1,647,419
Consisting of:			
<b>Cash at Bank and in Hand</b>	4	1,986,494	1,647,419

These financial statements were approved by the Finance, Administration and Human Resources Special Committee on **15 / 03 / 2019** and signed on its behalf by:



**Permanent Secretary**  
**Ministry of Higher Education**

Date: 25 / 03 / 2019



**Director and Chief Executive Officer**  
**Zambia Qualifications Authority**

Date: 25 / 03 / 2019

## Statement of Cash Flows

	Notes	2018 K	2017 K
<b>Operating Activities</b>			
Operating (Deficit) / Surplus		<b>(933,214)</b>	368,307
<b>Items Not Involving Movement of Funds</b>			
Depreciation	2	<b>505,896</b>	447,139
Loss on Disposal of Fixed Assets		<b>88,216</b>	-
Profit on Disposal of Fixed Assets		<b>(2,139)</b>	-
<b>Adjustments for Changes in Working Capital</b>			
(Increase) / Decrease in Trade and Other Receivables	6	<b>(296,711)</b>	367,781
Increase / (Decrease) in Trade and Other Payables	5	<b>1,787,209</b>	<u>1,166,978</u>
Cash Generated from Operating Activities		<b><u>1,149,256</u></b>	<u>2,350,205</u>
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Investing Activities			
Acquisition of Property, Plant and Equipment	2	<b>(890,340)</b>	<u>(1,665,843)</u>
Net Change from Cash and Cash Equivalents		<b><u>339,075</u></b>	<u>684,362</u>
Cash and Cash equivalents at Beginning of year		<b><u>1,647,419</u></b>	<u>963,057</u>
	4	<b><u>1,986,494</u></b>	<u>1,647,419</u>
Consisting of:			
Cash at Bank and in Hand	4	<b><u>1,986,494</u></b>	<u>1,647,419</u>

The significant accounting policies and the notes set out on pages 21 to 26 form an integral part of these financial statements

## 1. Significant Accounting Policies

### a) **Basis of Accounting and Preparation of the Financial Statements**

The financial statements have been prepared in line with the requirements of the International Financial Reporting Standards for Small to Medium-sized Entities.

### b) **Income Recognition**

Income represents the value of Government of the Republic of Zambia Grants appropriated to and actually received by the Authority. Government Grant Income is recognized in the income statement when it is actually received and the amount received can be measured with certainty. Grant income is recognized in the income statement over the period necessary to match it with related costs that is intended to compensate

Income also includes the value of services rendered in respect of evaluation and verification of qualifications, accreditation of qualifications as well as interest earned on securities. In recognising income from rendering services, the requirements of IFRS 15 have been duly considered and complied with.

### c) **Property, Plant and Equipment**

Property, plant and equipment are stated in the statement of financial position at cost or valuation less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment comprise of its purchase price and any cost directly attributable to bringing it into working condition for its intended use.

Depreciation is charged to write off the cost of property, plant and equipment over their estimated useful lives, on a straight line basis, at the following annual rates:

Fixtures and Fittings	25%
Motor Vehicles	25%
Office Equipment	25%
Computer Equipment	33%
Software	25%

### d) **Capital Grants**

Grants related to assets are either offset against the carrying amount of the relevant asset or presented as deferred income in the statement of financial position. Surplus or deficit will be affected either by a reduced depreciation charge or by deferred income being recognised as income systematically over the useful life of the related asset.

### e) **Impairment of Assets**

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset or group of assets, is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset, or group of related assets, is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset or group of assets in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.



## **1 Significant Accounting Policies (continued)**

### **f) Income Tax**

No Income Tax is applicable to the Authority as it was granted tax exempt status upon successful application to the office of the Commissioner General of the Zambia Revenue Authority.

### **g) Deferred Taxation**

No Deferred Tax is provided for as the Authority is exempt from Income Tax.

### **h) Foreign Currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Foreign exchange gains and losses arising from translations are included in other income or operating expenses in the period in which they occur.

## 2. Property, Plant and Equipment

	2018			2017		
	Cost/ Valuation	Accumulated Depreciation	Carrying Value	Cost / Valuation	Accumulated Depreciation	Carrying Value
	K	K	K	K	K	K
Computer Equipment	290,811	(178,703)	112,108	195,169	(129,878)	65,291
Motor Vehicles	1,354,702	(434,955)	919,747	1,229,400	(438,450)	790,950
Fixtures and Fittings	313,756	(169,426)	144,330	224,534	(98,404)	126,133
Office Equipment	125,173	(52,424)	72,749	74,396	(26,045)	48,351
Software	702,153	-	702,153	702,153	-	702,153
	<b>2,786,595</b>	<b>(835,509)</b>	<b>1,951,086</b>	<b>2,425,655</b>	<b>(692,777)</b>	<b>1,732,878</b>

The carrying values of Property, Plant and Equipment can be reconciled as follows: -

	Carrying value at the Beginning of the Year	Additions for the Year	Depreciation Charge for the Year	Depreciation on disposals	Depreciation/write back / adjustments	Carrying Value at End of Year
2018	K	K	K	K	K	K
Computer Equipment	65,291	100,642	(51,464)	2,639	(5,000)	112,108
Motor Vehicles	790,950	649,702	(357,030)	360,525	(524,400)	919,747
Fixtures and Fittings	126,133	89,220	(71,022)	-	-	144,330
Office Equipment	48,351	50,776	(26,379)	-	-	72,749
Software	-	702,153	-	-	-	702,153
	<b>1,732,878</b>	<b>890,339</b>	<b>(505,896)</b>	<b>363,164</b>	<b>(529,400)</b>	<b>1,951,086</b>
2017	Carrying value at the Beginning of the Year	Additions for the Year	Depreciation Charge for the Year	Depreciation on disposals	Depreciation/write back / adjustments	Carrying Value at End of Year
Computer Equipment	51,508	78,839	(65,056)	-	-	65,291
Motor Vehicles	393,300	705,000	(307,350)	-	-	790,950
Fixtures and Fittings	58,417	123,850	(56,134)	-	-	126,133
Office Equipment	10,949	56,001	(18,599)	-	-	48,351
Software	-	702,153	-	-	-	702,153
	<b>514,174</b>	<b>1,665,843</b>	<b>(447,139)</b>	<b>-</b>	<b>-</b>	<b>1,732,878</b>

<b>3 Trade and other Receivables</b>	<b>2018</b>	2017
	<b>K</b>	K
Trade Receivables	<b>191,500</b>	-
Prepaid Rent	<b>73,360</b>	54,413
Medical arrangements	<b>30,906</b>	15,816
Insurance	<b>11,593</b>	12,500
Staff Receivables	<b>13,366</b>	-
Inventory Account	<b>56,752</b>	-
Fuel Prepayment	<u><b>1,963</b></u>	<u>-</u>
	<u><b>379,440</b></u>	<u>82,728</u>
<b>4 Cash and Cash Equivalents</b>		
Cash in Hand	<b>2,976</b>	1,729
Investgo Card	<b>350</b>	7,000
Fixed Deposit	<b>1,634,272</b>	884,094
Cash at Bank	<u><b>348,896</b></u>	<u>754,596</u>
	<u><b>1,986,494</b></u>	<u>1,647,419</u>
<b>5 Trade and other payables</b>		
Statutory Payments	<b>441,468</b>	160,001
Staff Payables	<b>2,122,825</b>	1,362,336
Prepayments by customers	<b>881,810</b>	
Other Payables	<u><b>367,037</b></u>	<u>499,238</u>
	<u><b>3,813,139</b></u>	<u>2,021,575</u>
<b>6 Income</b>		
GRZ Revenue Grant	<b>9,369,380</b>	6,486,389
Validation and Evaluation Fees	<b>615,695</b>	772,955
Registration and Accreditation Fees	<b>500,000</b>	105,000
Interest on Fixed Deposit	<b>103,793</b>	100,710
Capital Grant	<b>4,356</b>	4,356
Sundry Income	<b>99,362</b>	1,000
Profit on Disposal of Fixed Assets	<u><b>2,139</b></u>	<u>-</u>
	<u><b>10,694,725</b></u>	<u>7,470,410</u>

<b>7</b>	<b>Technical Expenses</b>	<b>2018</b>	2017
		<b>K</b>	K
	Direct Salaries & Related Expenses	<b>4,761,625</b>	2,589,336
	Accreditation od Qualifications	<b>627,642</b>	9,847
	Motor Vehicle Running Expenses	<b>134,182</b>	77,128
	Advertising and Promotion	<b>152,220</b>	155,274
	Information Technology Expenses	<b>213,972</b>	96,161
	Validation and Evaluation Expenses	<b>92,443</b>	43,386
	Qualification Network Meetings / Conferences	<b>350,160</b>	307,185
	Developing Technical Documents	-	33,122
	Stakeholder and Public Sensitisation	<b>335,542</b>	285,462
	Collaborative Meetings	<b>17,248</b>	5,234
	Qualification Management Information System	<b>32,886</b>	-
	Study Tours	<b>161,981</b>	-
		<b><u>6,879,900</u></b>	<b><u>3,602,135</u></b>
<b>8</b>	<b>Administrative Expenses</b>		
	Rent	<b>505,431</b>	367,198
	General Expenses	<b>29,371</b>	20,429
	Cleaning	<b>17,812</b>	18,452
	Office Refreshments	<b>16,297</b>	8,334
	Newspapers and Periodicals	<b>5,810</b>	2,600
	Electricity and Water	-	7,553
	Insurance – Office equipment & furniture	<b>7,016</b>	4,317
	Building Repairs	<b>18,700</b>	46,033
	Bank Charges	<b>53,831</b>	26,714
		<b><u>654,270</u></b>	<b><u>501,630</u></b>
<b>9</b>	<b>Other Operating Expenses</b>		
	Staff Salaries & Related Costs	<b>2,939,817</b>	1,997,722
	Board of Directors and Related Costs	<b>7,834</b>	230,046
	Depreciation	<b>505,895</b>	447,139
	Printing and Stationery	<b>48,849</b>	61,183
	Professional Fees	<b>74,750</b>	57,768
	Procurement Expenses	<b>32,201</b>	53,337
	Communication Expenses	<b>39,473</b>	36,275
	Recruitment Expenses	<b>26,959</b>	54,868
	Strategic Plan & AWPB Development	<b>329,775</b>	60,000
	Loss on Disposal of Fixed Assets	<b>88,216</b>	-
		<b><u>4,093,769</u></b>	<b><u>2,998,338</u></b>



<b>10 Capital Grant</b>	<b>2018</b>	2017
	<b>K</b>	K
Opening Balance	<b>8,844</b>	-
Received During the Year	-	13,200
Amortised	<u><b>(4,356)</b></u>	<u>(4,356)</u>
Balance at End of Year	<u><b>4,488</b></u>	<u>8,844</u>

## **11 Risk Management**

### **Capital Risk Management**

The Authority's objectives when managing funds is to safeguard its ability to continue as a going concern in order to assure the attainment of its mission.

The capital structure of the Authority consists of cash, cash equivalents and accumulated fund.

#### **Financial Risk Management**

The ultimate responsibility for managing financial risk rests with the directors. The key financial risk for the organisation is liquidity. The organisation manages the risk against its liquidity by managing and monitoring relationships with suppliers and continuously monitoring forecasts and actual cash flows and matching maturity profiles of financial assets and liabilities.

#### **Liquidity Risk**

The risk to liquidity may arise from non-availability of funds to cover future commitments. The organisation manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### **At 31 December 2018**

	On Demand
Trade and Other Receivables	379,440
Cash and Cash Equivalents	1,986,494
Trade and Other Payables	<u>(3,813,139)</u>
	<u><b>(1,447,205)</b></u>

#### **At 31 December 2017**

Trade and Other Receivables	82,729
Cash and Cash Equivalents	1,647,419
Trade and Other Payables	<u>(2,021,575)</u>
	<u><b>(291,427)</b></u>

#### **Fair value**

All assets and liabilities have fair values similar to the carrying amounts due to their short term nature.

## **12 Capital commitments**

There were no capital commitments as at 31 December 2018 (2017: Nil).

## **13 Contingent liabilities**

There were no known contingent liabilities at 31 December 2018 (2017: Nil).

## **14 Subsequent events**

There were no known subsequent events post 31 December 2018 (2017: Nil).





