



ANNUAL REPORT 2015



REGISTERED OFFICE

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1. ACRONYMS AND ABBREVIATIONS

ECZ	Examinations Council of Zambia
FAHR	Finance, Administration and Human Resources Committee
HEA	Higher Education Authority
MOH	Ministry of Health
MQA	Mauritius Qualifications Authority
MESVTEE	Ministry of Education, Science Vocational Training and Early Education
NAPSA	National Pension Scheme Authority
NARIC	National Academic Recognition Information Centres
NIPA	National Institute of Public Administration
NQF	National Qualifications Framework
SAQA	South African Qualifications Authority
SADC	Southern African Development Community
TEVETA	Technical Education, Vocational and Entrepreneurship, Training Authority
UNZA	University of Zambia
UK	United Kingdom
ZAQA	Zambia Qualifications Authority
ZAOU	Zambian Open University
ZIALE	Zambia Institute of Advanced Legal Education
ZIHRM	Zambia Institute of Human Resource Management
ZICA	Zambia Institute of Chartered Accountants
ZRA	Zambia Revenue of Authority
ZQF	Zambia Qualifications Framework

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2. EXECUTIVE SUMMARY

This report covers the initial period of operations of the Zambia Qualifications Authority from November 2014 to 31st December 2015.

ZAQA is a Statutory Body under the Ministry of Higher Education established by the Zambia Qualifications Authority Act No. 13 of 2011. The Authority has the Mandate for the development and implementation of a National Qualifications Framework (NQF), registration and accreditation of qualifications; provide measures to ensure that standards and registered qualifications are internationally comparable; and provide for matters connected with or incidental to the foregoing.

The initial year of operations mainly focused on putting in place systems, policies and procedures to operationalise the mandate of the Authority. The Board of the Authority was inaugurated in October 2014 and was supported by an Interim Secretariat housed at the Ministry of Education, Science Vocational Training and Early Education. A gradual phase - out of the interim Secretariat began in July 2015 after the recruitment of the Director and Chief Executive Officer.

The work of the Authority in the inception period was supported at Board level by two standing committees namely; Finance Administration and Human Resources Committee and the Standards Setting Committee as well as an adhoc committee composed of a Team of Experts to oversee the development of guideline documents for the implementation of the Zambia Qualifications Framework.

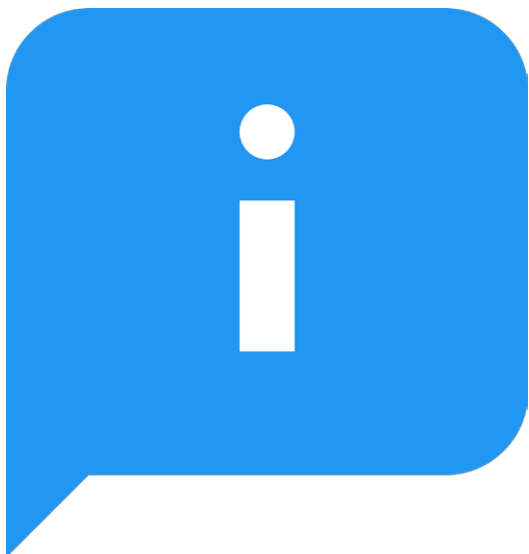
During the period under review, the Authority embarked on learning best practice from countries that have successfully implemented NQFs while stakeholder engagements were conducted to ensure that key stakeholders and members of the general public were familiarised with the existence and operations of the Authority. Arising from wide stakeholder consultations, a ten level ZQF was developed.

In terms of finances, the Authority received budgetary support amounting to K1.988 million. The expenditure for the period under review was K2.063 million resulting in a deficit of K75, 839. The Authority closed the period with a cash balance of K58, 693.

The Authority had three employees at the end of 31st December 2015 who continued to be supported by staff from the Ministry of Higher Education. The organisation could not be fully staffed due to inadequate budgetary allocation during the period under review.

In order to enhance the image of the Authority, improve visibility and provide for adequate staff accommodation, the Authority relocated to Finsbury Park in December 2015.

3. GENERAL INFORMATION



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

The Zambia Qualifications Authority Act No. 13 of 2011 was enacted by the Government of the Republic of Zambia to **“provide for the development and implementation of a national qualifications framework; establish the Zambia Qualifications Authority; provide measures to ensure that standards and registered qualifications are internationally comparable; and provide for matters connected with, or incidental to the foregoing”**.

The Zambia Qualifications Authority has the mandate to develop, manage, and operate the Zambia Qualifications Framework.

4. FUNCTIONS OF THE AUTHORITY

The functions of the Authority are to:

Develop, oversee and maintain a national qualification framework for Zambia;

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;

Accredit a qualification or part-qualification recommended by an appropriate authority if it meets the relevant criteria;

Develop policy and criteria after consultation with the appropriate authorities for assessment, recognition of prior learning and credit accumulation and transfer;

Develop the content of level descriptors for each level of the Framework and reach agreement on the content with the appropriate authorities;

Publish the agreed level descriptors in the Gazette and ensure that the levels remain current and appropriate;

Ensure that standards and accredited qualifications are internationally comparable;

Determine national standards for any occupation;

Recognise and validate competencies for purposes of certification obtained outside the formal education and training systems;

Recognise and validate competencies for purposes of certification obtained outside the country;

Collaborate with its international counterparts on all matters of mutual interest concerning qualification frameworks;

Keep a database of learning achievements in Zambia;

Advise the Minister on matters pertaining to the Framework; and

Do all such things as are necessary or conducive for the achievement of the purposes of this Act.

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5. VISION, MISSION AND CORE VALUES

In order to ensure a focused approach, the Authority has the following Vision, Mission, Core Values and Motto:

VISION

A custodian of quality and internationally comparable national qualifications.

MISSION

We professionally regulate qualifications and promote quality in education, training and employment for all stakeholders through the National Qualifications Framework.

CORE VALUES

PROFESSIONALISM

We shall maintain the highest professional and ethical standards building mutually beneficial relationships with all stakeholders to deliver quality services.

TRANSPARENCY

We shall conduct our business in a reliable and fair manner.

EFFICIENCY

We shall perform our duties competently and productively ensuring value for money.

CONFIDENTIALITY

We shall maintain discretion and non-disclosure of all information in our custody.

INTEGRITY

We shall treat all stakeholders and each other with trust, respect and honesty

QUALITY

We shall assure all stakeholders total quality in all our processes and procedures.

MOTTO

You Learn, we standardize!

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6. BOARD AND MANAGEMENT



The Board was constituted on 23rd October, 2014 in accordance with section 10 (1) of the Zambia Qualifications Authority Act no. 13 of 2011 as follows:

No.	Name	Organisation Represented	Title
1	Ms. Namucana C. Musiwa	ZIHRM	Board Chairperson
2	Professor Charles M. Namafe	Public University	Vice Chairperson
3	Dr. Patrick K. Nkanza	MESVTEE	Board Member
4	Mrs. Chanda S.C Nyonda	Ministry of Labour	Board Member
5	Mrs. Evelyn Muleya	MOH	Board Member
6	Mr. Tom J.K Thewo	ZICA	Board Member and Chairperson FAHR
7	Judge Enoch Mulembe	ZIALE	Board Member
8	Professor Moses Musonda	Private University	Board Member
9	Mrs. Mutinta C.M Chilala	ZASTI	Board Member
10	Mrs. Elly S. Mwale	Civil Society the Education Sector	Board Member and Chairperson SSC

Management that held office in 2015 were:

Mrs. Mirriam M . A Chiyaba – Director and Chief Executive Officer - July 2015 to date

Mrs Loveness C. Malupande – Interim Co-ordinator - November 2014 to 30th June 2015

BOARD MEMBERS



Ms. Namucana C. Musiwa
Board Chairperson



Mr. Tom J K Thewo
Board Member



Professor C. Namafe
Vice Chairperson



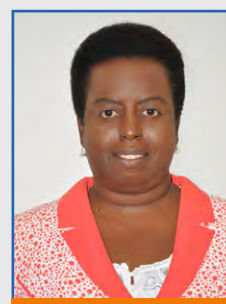
Ms. Elly S. Mwale
Board member



Mrs. E Muleya
Board Member



Judge E. Mulembe
Board Member



Mrs. S.C Nyonda
Board Member



Professor M. Musonda
Board Member



Mrs. M. Chilala
Board Member



Dr. Patrick K. Nkanza
Board Member



Mrs. Mirriam M A Chiyaba
Board Secretary, Director and
Chief Executive Officer ZAQA

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7. BOARD COMMITTEES

In line with the provisions of the ZAQA Act No. 13 of 2011, Section 14, the Board has established the following Committees:

7.1 Finance, Administration and Human Resources Committee

To consider all issues relating to finance, human resources and general administration of the Authority as may be delegated by the Board from time to time. The following were the Members of the Committee:

Mr. Tom J.K Thewo	- Chairperson
Dr. Patrick K Nkanza	- Member
Mrs. Chanda S.C Nyonda	- Member
Mrs. Evelyn Muleya	- Member
Dr. David Ndopu	- Member
Mrs. Jane Chinkusu	- Member
Mrs. Mirriam M. A Chiyaba	- Board Secretary

7.2 Standards Setting Committee

To consider all matters relating to the registration and accreditation of qualifications and ensuring that standards and registered qualifications are internationally comparable. The following were the Members of the Committee:

Ms. Elly.S. Mwale	- Chairperson
Dr. Patrick Nkanza	- Member
Professor Charles Namafe	- Member
Mr. Orphan Hachinene	- Member
Mrs. Mary Nalumpa	- Member
Mrs. Prisca.C Simukonda	- Member
Mrs. T.N Musakanya	- Member
Mrs. Mirriam M. A Chiyaba	- Board Secretary
Mrs. Loveness C. Malupande	- Secretariat

7.3 Team of Experts

The Team of Experts was constituted to develop ZAQA guideline documents for the implementation of the NQF. The following were the Members of the Team of Experts:

Ms. Elly .S. Mwale	- Chairperson
Mr. Chera Deressa	- Member
Mr. Orphan Hachinene	- Member
Dr. Alvert Ng'andu	- Member
Mr. Tyson Simuzingili	- Member
Dr. Michael Chilala	- Member
Dr. Patrick K Nkanza	- Member
Mr. Emmanuel Lutelo	- Member
Mrs. Cecilia Sakala	- Member
Mrs. Mirriam M. A Chiyaba	- Member
Mrs. Loveness C. Malupande	- Secretariat

8. DIRECTORS' REPORT

The Directors' have the pleasure in submitting their report for the initial period of operations of the Zambia Qualifications Authority covering the 14 months period to 31st December 2015.

8.1 Nature of Entity

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

8.2 Principal activities

The Authority has mandate for the development and implementation of a national qualifications framework; registration and accreditation of qualifications; provide measures to ensure that standards and registered qualifications are internationally comparable; and provide for matters connected with, or incidental to, the foregoing.

8.3 Financial Results

**14 Months to
December 2015
K**

Income	1,987,772
Expenditure	(2,063,611)
Deficit for the 14 month period	(75,839)

8.4 Property, Plant and Equipment

During the period under review, the Authority purchased property, plant and equipment amounting to K157, 913. 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.

8.5 Number of employees and remuneration

The total remuneration paid was K902,754 and the Authority had three employees at the close of the period under review. The Ministry of Higher Education provided Secretariat support services during the set up period.

8.6 Events subsequent to the period 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.

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9. OPERATIONAL REVIEW FOR 2015



This report provides highlights of the initial period of operations for the Authority covering the period from November 2014 to 31st December 2015.

The Board of the Authority was inaugurated in October 2014. An interim Secretariat headed by Mrs. Loveness C. Malupande, Interim Co-ordinator, was set up with support from the Ministry of Education, Science Vocational Training and Early Education. The Director and Chief Executive Officer was then recruited on 1st July, 2015.

The initial year of operations was mainly focused on setting up the organisation, learning best practice and developing policies and guidelines to operationalise the NQF. Specifically, the activities detailed below were undertaken.

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10. CORPORATE GOVERNANCE

10.1.1 The Committees of the Board were constituted in the year 2015 in line with the ZAQA Act No. 13 of 2011, section 14 as follows:

10.1.1.1 Standards Setting Committee

Terms of Reference

To consider all matters relating to the registration and accreditation of qualifications and ensuring that standards and registered qualifications are internationally comparable.

The Standards Setting Committee shall undertake the following functions;

- i) To function as a committee of the Zambia Qualifications Authority
- ii) Recommend criteria and guidelines for applications for the registration, accreditation and renewal of Registration and Accreditation of national standards and qualifications of any occupation.
- iii) To recommend qualifications and standards on the NQF.
- iv) To recommend guidelines which ensure that the standards and registered qualifications are internationally comparable
- v) To recommend Registration and Accreditation policies and procedures.
- vi) To recommend criteria and guidelines for recognition and validation of competencies for purposes of certifications obtained outside the formal education and training systems.
- vii) To commend criteria and guidelines for equivalences of local and foreign qualifications in Zambia.
- viii) To recommend instruments for evaluation of qualifications.
- ix) To accredit quality assurance bodies and professional bodies.
- x) To carry out annual review of standards and policies of qualifications in Zambia.



Membership

The composition of the Standards Setting Committee is as follows:

- a) Civil Society
- b) Public University
- c) Ministry of Higher Education
- d) Technical Education, Vocational and Entrepreneurship, Training Authority
- e) National Institute of Public Administration
- f) Ministry of General Education
- g) Higher Education Authority
- h) Examinations Council of Zambia

10.1.1.2 Finance, Administration and Human Resources Committee

Terms of Reference

To consider all issues relating to finance, human resources and general administration of the Authority as may be delegated by the Board from time to time.

The Committee will undertake the following functions:

- i) To review quarterly and annual financial reports prepared by management of ZAQA
- ii) To review strategic and annual work plans and budgets of ZAQA and preparing recommendations to the Board
- iii) To provide oversight on all administrative functions of ZAQA
- iv) To ensure compliance with financial, procurement and administrative policies
- v) To provide oversight on Human Resources Functions
- vi) To provide oversight with regards to financial issues.
- vii) To provide oversight on the risk management responsibilities.

Membership

The composition of the FAHR Committee is as follows:

- a) Board Member representing ZICA on the Board
- b) Ministry responsible for Higher Education representative
- c) Ministry responsible for Labour representative
- d) Ministry responsible for Health representative
- e) Two Members with expertise in Finance, Administration or Human Resources

10.2 STUDY TOURS

ZAQA participated in the South African Qualifications Authority Conference for Qualification Authorities in the SADC region with a view to learn from others within the region. ZAQA further undertook a study tour to South Africa Qualifications Authority and Mauritius Qualifications Authority with a view to learn how similar institutions in the region had implemented national qualification frameworks in their respective countries. The lessons learnt were key to the set up of the operations of ZAQA.

10.3 STAKEHOLDERS ENGAGEMENTS

10.3.1 The first Stakeholder Sensitisation meeting was held in May 2015 in Lusaka and drew participants from key stakeholders in the education and training sector. The meeting outcomes included the following;

- 10.3.1.1 Recognition of already existing quality assurance and awarding bodies by ZAQA in order to minimise overlapping roles.
- 10.3.1.2 Ensuring that the Zambia Qualifications Framework serves as a mechanism for the recognition and integrity of all Zambian Qualifications.
- 10.3.1.3 Establishing credible standards to assure international recognition of Zambian qualifications and;
- 10.3.1.4 Promoting wide acceptance and approval of Zambian qualifications locally.
- 10.3.1.5 The Authority participated at the Zambia International Trade Fair, the Lusaka Agriculture and Commercial Show, Business fora discussions and various Media engagements to create awareness of the Authority and promote the services offered.

10.4 ZQF DEVELOPMENT AND ZAQA GUIDELINE DOCUMENTS

Following wide stakeholder consultations, the Authority developed the ten level ZQF. Further, the Authority started the process of developing the key reference documents to guide its operations. These documents included the following;

1. Zambia Qualifications Framework Level Descriptors
2. Guidelines for the Registration and Accreditation of Qualifications on the Zambia Qualifications Framework
3. Policy and Criteria for Recognition of Prior Learning in Zambia
4. Guidelines for Determining National Occupational Standards.

10.5 OFFICE ACCOMMODATION

The Authority started operating from Maxwell House at the Ministry of Education, Science Vocational Training and Early Education. In order to enhance the image of the Authority, improve visibility and provide for adequate staff accommodation, the Authority relocated to Finsbury Park in December 2015.

11. FINANCIAL STATEMENTS EXCLUDING DIRECTORS' REPORT

ZAMBIA QUALIFICATIONS AUTHORITY
Report and Financial Statements
for the 14 month period ended 31 December 2015

Statement of Director's Responsibilities and Approval of the Financial Statements

Sections 22 and 23 of the Zambia Qualifications Authority Act No. 13 of 2011 require the Directors to maintain proper books of account 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 profit or loss for that period. In preparing those financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed the applicable accounting standards. The Directors are responsible for ensuring that the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. The Directors 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.

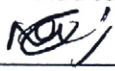
In accordance with Sections 22 and 23 of the Zambia Qualifications Authority Act No. 13 of 2011, we the Directors are of the opinion that:

- a) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of the affairs of the Authority as at 31 December 2015; and
- b) the Statement of Comprehensive Income is drawn up so as to give a true and fair view of the profit of the Authority for the 14 month period ended 31 December 2015;
- c) there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

The Directors are also responsible for the Authority's system of internal control. 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 misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

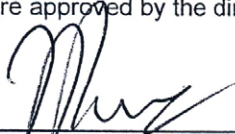
The financial statements which appear on pages 7 to 16 were approved by the directors.

By order of the Board



Namucana C. Musiwa (Ms)
Board Chairperson

Date: 10.01.17



Tom J.K. Thewo (Mr)
Finance, Administration and Human Resources
Committee Chairperson

Date: 10.01.17



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Independent Auditors' Report

To the Directors of the Zambia Qualifications Authority

Report on the financial statements

We have audited the financial statements of the Zambia Qualifications Authority which comprise the Statement of Financial Position as at 31 December 2015, the Statements of Comprehensive Income, Changes in The Fund and Cash Flows for the 14 month period then ended, and the summary of significant accounting policies and other explanatory notes as set out on pages 11 to 16.

Director's Responsibility for the Financial Statements

The Authority's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards for Small to Medium-sized Entities and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

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.

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zambia Qualifications Authority as at 31 December 2015, and the results of its operations and cash flows for the 14 month period then ended in accordance with the International Financial Reporting Standards for Small to Medium-sized Entities.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of Zambia Qualifications Authority as at 31 December 2015, and its financial performance and its cash flows for the 14 month period then ended have been properly prepared in accordance with the International Financial Reporting Standards for Small to Medium-sized Entities and 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: 18/1/2017



ZAMBIA QUALIFICATIONS AUTHORITY

Report and Financial Statements

for the 14 month period ended 31 December 2015

Statement of Comprehensive Income

	Note	2015 K
Income	6	1,987,772
Technical Expenses	7	<u>(249,567)</u>
Surplus before Operating Expenses		1,738,205
Operating Expenses	8	(1,810,735)
Finance Costs	9	<u>(3,309)</u>
Deficit for the Period		(75,839)
Other Comprehensive Gains and Losses		<u>0</u>
Total Comprehensive Deficit attributable to the Authority		<u>(75,839)</u>

ZAMBIA QUALIFICATIONS AUTHORITY

Report and Financial Statements

for the 14 month period ended 31 December 2015

Statement of Changes in Equity

	Fund	Accumulated
	K	Total
	K	K
At November 2014	-	-
Comprehensive Income		
Deficit for the 14 month period	<u>(75,839)</u>	<u>(75,839)</u>
Total Comprehensive Deficit for the 14 month period	<u>(75,839)</u>	<u>(75,839)</u>
At 31 December 2015	<u>(75,839)</u>	
<u>(75,839)</u>		

The significant accounting policies and the notes set out on page 18 – 23 form an integral part of these financial statements

ZAMBIA QUALIFICATIONS AUTHORITY

Report and Financial Statements
For the 14 month period ended 31 December 2015

Statement of Cash Flows

	Notes	2015 K
Operating Activities		
Operating Deficit		(75,839)
Items Not Involving Movement of Funds		
Depreciation	2	45,990
Finance Costs – Bank Charges	9	3,309
Adjustment for Changes in Working Capital		
Increase in Trade and Other Receivables	3	(70,538)
Increase in Trade and Other Payables	5	<u>316,993</u>
Cash Generated from Operating Activities		219,915
Net Cash Inflow from Operating Activities		<u>219,915</u>
Investing Activities		
Acquisition of Property, Plant and Equipment	2	<u>157,913</u>
Cash Outflows from Investing Activities		<u>157,913</u>
Financing Activities		
Finance Costs	9	<u>3,309</u>
Cash Outflows from Financing Activities		<u>3,309</u>
NET Change in Cash and Cash Equivalents		58,693
Cash and Cash Equivalents at the Beginning of the Period		-
Cash and Cash Equivalents at the End of the Period		<u>58,693</u>
Consisting of:		
Cash at Bank and in Hand	4	<u>58,693</u>

The significant accounting policies and the notes set out on page 18 - 23 form an integral part of these financial statement

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements for the 14 month period ended 31 December 2015

1. Significant Accounting Policies

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.

Income Recognition

Income represents the value of Government of the Republic of Zambia Grants appropriated to the Authority. Grants related to income are recognised in profit or loss over the periods necessary to match them with the related costs that they are intended to compensate. They are presented as separate income. The timing of such recognition in profit or loss will depend on the fulfillment of any conditions or obligations attaching to the grant.

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:

Land & Buildings	2%
Fixtures and Fittings	25%
Motor Vehicles	25%
Office Equipment	25%
Computer Equipment	33%

Capital Grants

Grants related to assets are either offset against the carrying amount of the relevant asset or presented as deferred income in the balance sheet. Profit or loss 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.

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.

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.

Deferred Taxation

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

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements for the 14 month period ended 31 December 2015

1 Significant Accounting Policies *(continued)*

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the leased assets to the Authority. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Authority at the lower of the fair value and the present value of the minimum lease payment of the leased property at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation

Borrowing Costs

All borrowing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

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.

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements for the 14 month period ended 31 December 2015

2. Property, Plant and Equipment

	2015			2014		
	Cost/ Valuation	Accumulated Depreciation	Carrying Value	Cost/ Valuation	Accumulated Depreciation	Carrying Value
	K	K	K	K	K	K
Computer Equipment	78,135	(26,045)	52,090	-	-	-
Motor Vehicle	-	-	-	-	-	-
Fixtures and Fittings	68,393	(17,098)	51,295	-	-	-
Office Equipment	11,385	(2,847)		8,538	-	-
	157,913	(45,990)	111,923	-	-	-

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

	Carrying	Additions value at beginning of period	Depreciation	Depreciation on disposals	Write back/ (depreciation)	Carrying value at end of period
	K	K	K	K	K	K
Computer Equipment	-	78,135	(26,045)	-	-	52,090
Motor Vehicles	-	-	-	-	-	-
Fixtures and Fittings	-	68,393	(17,098)	-	-	51,295
Office Equipment	-	11,385	(2,847)	-	-	8,538
		157,913	(45,990)	-	-	111,923

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements for the 14 month period ended 31 December 2015

	2015
	K
3 Trade and other Receivables	
Prepaid Rent	34,000
Staff Advances	<u>36,538</u>
	<u>70,538</u>
4 Cash and Cash Equivalents	
Cash in Hand	3,000
Cash at Bank	<u>55,693</u>
	<u>58,693</u>
5 Trade and other payables	
ZRA – PAYE Arrears	125,522
Accrued Gratuity	90,650
Accrued Expenses	40,000
Accrued Leave	34,704
NAPSA – Arrears	<u>26,117</u>
	<u>316,993</u>
6 Income	
GRZ Revenue Grant	1,984,072
Evaluation and Verification Fees	<u>3,700</u>
	<u>1,987,772</u>

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements for the 14 month period ended 31 December 2015

	2015
	K
7 Technical Expenses	
Study Tours	118,277
Qualification Network Meetings / Conferences	57,025
Developing Technical Documents	56,165
Sensitisation Workshops	10,300
Qualification Management Information System	<u>36,538</u>
	<u>249,567</u>
8 Operating Expenses	
Employment and Staff Related Costs	902,754
Board of Directors Related Expenses	346,876
Advertising and Promotions Expenses	147,356
Staff Recruitment Expenses	91,758
Motor Vehicle Expenses	77,359
Office Expenses	74,262
Depreciation	45,990
Printing and Stationery Costs	41,490
Audit Fees	40,000
Penalties and Levies	21,766
Communication Expenses	9,883
Information Technology Costs	8,991
Procurement Expenses	<u>2,250</u>
	<u>1,810,735</u>
9 Finance Costs	
Bank Charges	<u><u>3,309</u></u>

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements for the 14 month period ended 31 December 2015

10 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.

	On Demand
At 31 December 2015	
Trade and Other Receivables	70,538
Cash and Cash Equivalents	58,693
Trade and Other Payables	<u>(316,993)</u>
	<u>(187,762)</u>
	<u>(187,762)</u>

Fair value

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

11 Capital commitments

There were no capital commitments as at 31 December 2015.

12 Contingent liabilities

There were no known contingent liabilities at 31 December 2015.

13 Subsequent events

There were no known subsequent events post 31 December 2015.

NOTES

REGISTERED OFFICE

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