



2016 ANNUAL REPORT



YOU LEARN, WE STANDARDIZE

**Registered Office**

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Auditors

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1. ACRONYMS AND ABBREVIATIONS

| | |
|----------------|--|
| DRC | Democratic Republic of Congo |
| ECZ | Examinations Council of Zambia |
| FAHR | Finance, Administration and Human Resources Committee |
| HEA | Higher Education Authority |
| MESVTEE | Ministry of Education, Science Vocational Training and Early Education |
| MOHE | Ministry of Higher Education |
| MOH | Ministry of Health |
| MQA | Mauritus Qualifications Authority |
| NARIC | National Academic Recognition Information Centres |
| NIPA | National Institute of Public Administration |
| NQF | National Qualifications Framework |
| QMIS | Qualifications Management Information System |
| SAQA | South African Qualifications Authority |
| SADC | Southern African Development Community |
| TCZ | Teaching Council of Zambia |
| TEVETA | Technical Education, Vocational and Entrepreneurship, Training Authority |
| UK | United Kingdom |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |
| UNZA | University of Zambia |
| ZAOU | Zambian Open University |
| ZQF | Zambia Qualifications Framework |
| ZAQA | Zambia Qualifications Authority |
| ZICA | Zambia Institute of Chartered Accountants |

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2. FOREWORD BY THE BOARD CHAIRPERSON



MS. NAMUCANA C. MUSIWA
BOARD CHAIRPERSON

It is my pleasure to present the annual report and audited Financial Statements for the Zambia Qualifications Authority for the period 1st January to 31st December 2016.

The year 2016 was effectively the first year of operations for the Authority in which ZAQA recorded progress in finalising key reference documents that provide guidance to quality assurance and awarding bodies in the implementation of the Zambia Qualifications Framework. The Level Descriptors were gazetted, signifying an important milestone to ensuring that the qualifications in Zambia are internationally comparable.

However, it is worth noting that 2016 came with its own challenges and opportunities as the Authority was put to test in the verification exercise of qualifications for political office holders. Further,

the Authority was not able to accredit qualifications due to delayed finalisation of the Statutory Instrument to provide for accreditation measures.

Gladly, 2016 also marked a year of regional and international recognition for the Authority. ZAQA contributed significantly to the agenda of recognition of qualifications both in the SADC region and by UNESCO as the Director and CEO worked as an expert on the Drafting Committee for the Global Convention on the Recognition of Higher Education Qualifications.

On behalf of the Board of Directors, I would like to thank the Zambian Government and the Ministry of Higher Education in particular, the Board of Directors, Management and Staff of the Authority for the invaluable support and commitment in executing the mandate of the Authority.

2017 is poised to be a year in which the Authority takes the implementation of the Zambia Qualifications Framework to another level.

A handwritten signature in purple ink, appearing to read 'Namucana Musiwa'. The signature is stylized and cursive.

Namucana Musiwa

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3. DIRECTOR AND CHIEF EXECUTIVE OFFICER'S REMARKS



MRS. MIRRIAM M A CHIYABA

In 2016, the Zambia Qualifications Authority continued to carry out its mandate in accordance with the provisions of the ZAQA Act No. 13 of 2011.

The Level Descriptors Government Gazette Notice No. 527 of July 2016 marked a significant step towards the implementation of the Zambia Qualifications Framework. Stakeholder engagements were high on the agenda without which the progress achieved in 2016 would not have been recorded. The Authority engaged various Members of the general public to ensure that the mandate of the Authority was appreciated.

I would like to express my sincere gratitude to the Ministry of Higher Education for the policy guidance and support to the attainment of the results recorded

in 2016. I further wish to acknowledge and thank the Board Members of the Authority, Management and Staff for the dedication and commitment in executing the activities of the Authority and for each playing their own specific role without focusing on the challenges.

Although 2017 is poised to take the implementation of the ZQF to another level, we take cognisance of the fact that the most important tools required for this to happen are yet to be finalised. We expect to see both the database of Learner achievements and the Statutory Instrument in place in order to fully operationalise the process of verification and accreditation of qualifications.

I wish to thank the various stakeholders in the education and training sector for the support rendered to the Authority in 2016. We look forward to a continued working relationship as we build on the successes gained in 2016.

A handwritten signature in black ink, appearing to read 'M.A.C.', written in a cursive style.

Mrs. Mirriam M A Chiyaba

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4. 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.

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5. FUNCTIONS OF THE AUTHORITY

The functions of the Authority are to:

- | | |
|-----|---|
| (a) | develop, oversee and maintain a national qualification 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: <ul style="list-style-type: none"> (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. |

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6. 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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7. THE BOARD AND MANAGEMENT



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



Owen Mugemezulu
Board Member



Mrs. S.C Nyonda
Board Member



Mr. Vengi Sinda
Board Member



Professor M. Musonda
Board Member



Dr. Patrick K. Nkanza
Board Member



Mrs. M. Chilala
Board Member



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

The Board was constituted on 23rd October, 2014 in accordance with Section 10 (1) of the Zambia Qualifications Authority Act no. 13 of 2011. The Directors who held office in 2016 were as follows;

| No. | Name | Organisation Represented | Title |
|-----|-----------------------------|---------------------------------------|-----------------------------------|
| 1 | Ms. Namucana C. Musiwa | ZHIRM | Board Chairperson |
| 2 | Professor Charles M. Namafe | Public University | Vice Chairperson |
| 3 | *Mr.Owen Mugemezulu | MOHE | Board Member |
| 3 | *Dr. Patrick Nkanza | MOHE | Board Member |
| 4 | Mrs.Chanda S.C Nyonda | Ministry of Labour | Board Member |
| 5 | Mrs. Evelyn Muleya | MOHE | Board Member |
| 6 | Mr.Tom J.K Thewo | ZICA | Board Member and Chairperson FAHR |
| 7 | Mr. Vengi Sinda | MOGE | 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 in the Education Sector | Board Member and Chairperson SSC |

* Dr Patrick Nkanza resigned in February 2016 and was replaced by Mr. Owen Mugemezulu.

Management that held office in 2016 were:

Mrs. Mirriam M . A Chiyaba – Director and Chief Executive Officer - July 2015 to date
Mr. Given Kalonga – Assistant Director Technical - November 2015 to December 2016

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8. BOARD COMMITTEES

8.1 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 |
| Mr.Owen Mugemezulu | - | Member |
| Mrs. Chanda S.C Nyonda | - | Member |
| Mrs. Evelyn Muleya | - | Member |
| Mr. David Ndopu | - | Member |
| Mrs. Jane Chinkusu | - | Member |
| Mrs. Mirriam Chiyaba | - | Board Secretary |

8.2 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 |
| Mr. Owen Mugemezulu | - | 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 Chiyaba | - | Board Secretary |
| Mr. Given Kalonga | - | Committee Secretary |

8.3 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 N'gandu | - | Member |
| Mr. Tyson Simuzingili | - | Member |
| Dr. Michael Chilala | - | Member |
| Professor Stephen Simukanga | - | Member |
| Mrs. Cecilia Sakala | - | Member |
| Mrs Mirriam Chiyaba | - | Member |
| Mr. Given Kalonga | - | Committee Secretary |

9. DIRECTORS' REPORT

The Directors have the pleasure in submitting their report on operations of the Zambia Qualifications Authority covering the period 1st January 2016 to 31st December 2016.

9.1 Financial Results

| | Year Ended 31 Dec 2016 K | 14 Months to 31 Dec 2015 |
|---|---|-------------------------------------|
| Income | 5,202,045 | 1,987,772 |
| Expenditure | (4,061,907) | (2,063,611) |
| Surplus / (Deficit) for the year / 14 month period | 1,140,138 | (75,839) |

9.2 Property, Plant and Equipment

During the period under review, the Authority purchased property, plant and equipment amounting to K601,899 (2015: 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.

9.3 Number of employees and remuneration

The total remuneration paid was K2,483,939 (2015: K902,754) and the Authority had 8 (eight) employees at the close of the year under review. (2015: 3)

9.4 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 year-end and the date of this report.

9.5 Auditors

The auditors, M.Sakala & Associates have indicated their willingness to continue in office and a resolution for their reappointment will be proposed to the Board of Directors.

9.6 Events subsequent to the period end

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

7 Directors

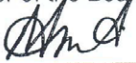
The Directors who held office during the period under review were as follows:

| <u>Name</u> | <u>Title</u> |
|------------------------------|-------------------|
| Ms. Namucana C. Musiwa | Board Chairperson |
| Professor Charles. M. Namafe | Vice Chairperson |
| Mr. Owen Mgemezulu | Member |
| Mrs. Chanda. S. Nyonda | Member |
| Mrs. Evelyn Muleya | Member |
| Mr. Tom J. K. Thewo | Member |
| Mr. Vengi Sinda | Member |
| Professor Moses Musonda | Member |
| Mrs. Mutinta C.M Chilala | Member |
| Mrs. Elly S. Mwale | Member |

8 Auditors

The auditors, M SAKALA & ASSOCIATES have indicated their willingness to continue in office and a resolution for their reappointment will be proposed to the Board of Directors.

By order of the Board



Mirriam M. A. Chiyaba (Mrs)
Board Secretary

Date: 15/03/2017

10. HIGHLIGHTS OF ACTIVITIES FOR THE YEAR 2016

This report provides highlights of the operations for the Authority.

10.1 CORPORATE GOVERNANCE

The Board and Committees held Meetings as follows:

10.1.1 During the period under review, the ZAQA Board held five (5) Meetings and attendance was recorded as follows:

| No. | Board Member | Ordinary Meetings | Special Meetings | Meetings Attended |
|-----|-----------------------------|-------------------|------------------|-------------------|
| 1 | Ms. Namucana C. Musiwa | 4 | 1 | 5 |
| 2 | Professor Charles M. Namafe | 4 | 1 | 5 |
| 3 | Mr.Owen Mugemezulu | 4* | 1 | 4* |
| 4 | Mrs. Chanda S.C Nyonda | 4 | 1 | 5 |
| 5 | Mrs. Evelyn Muleya | 4 | 1 | 5 |
| 6 | Mr.Tom J.K Thewo | 4 | 1 | 5 |
| 7 | Professor Moses Musonda | 4* | 1 | 4* |
| 8 | Mrs. Mutinta Chilala | 4* | 1 | 4* |
| 9 | Mrs.Elly S. Mwale | 4 | 1 | 5 |
| 10 | Mrs. Mirriam M.A Chiyaba | 4 | 1 | 5 |

*Apologies were duly recorded

10.1.2 The Finance, Administration and Human Resources Committee of the ZAQA Board held five (5) Meetings during the period under review and the attendance was as follows:

| | Board Member | Ordinary Meetings | Special Meetings | Meetings Attended |
|---|--------------------------|-------------------|------------------|-------------------|
| 1 | Mr. Tom Thewo | 4 | 1 | 5 |
| 2 | Mr.Owen Mugemezulu | 4* | 1 | 3* |
| 3 | Mr. David Ndopu | 4* | 1 | 3* |
| 4 | Mrs. Chanda S.C Nyonda | 4 | 1 | 5 |
| 5 | Mrs.Evelyn Muleya | 4* | 1 | 4* |
| 6 | Mrs. Jane Chinkusu | 4 | 1 | 5 |
| 7 | Mrs. Mirriam M.A Chiyaba | 4 | 1 | 5 |

*Apologies were duly recorded

10.1.3 The Standards Setting Committee of the ZAQA Board held four (4) Meetings during the period under review and the attendance was as follows:

| No. | Board Member | Meetings | Meetings Attended |
|-----|---------------------------------|----------|-------------------|
| 1 | Ms. Elly S. Mwale | 4 | 4 |
| 2 | Mr. Owen Mugemezulu | 4 | 3* |
| 3 | Professor Charles Namafe | 4 | 4 |
| 4 | Mr. Orphan Hachinene | 4 | 1* |
| 5 | Mrs. Mary Nalumpa | 4 | 4 |
| 6 | Mrs. Prisca.C Simukonda | 4 | 4 |
| 7 | Professor Stephen Simukanga | 4 | 4 |
| 8 | Mrs. T. N Musakanya | 4 | 2* |
| 9 | Mrs. Mirriam Chiyaba | 4 | 4 |
| 10 | Mr. Given Kalonga (Secretariat) | 4 | 4 |

*Apologies were duly recorded

11. OPERATION REVIEW FOR 2016

This review provides highlights of the activities undertaken by the Authority during the period from 1st January 2016 to 31st December 2016.

11.1 LEVEL DESCRIPTORS

The Authority issued the Level Descriptors on the Zambia Qualifications Framework in July 2016 under Government Gazette Notice No. 527 of 2016.

The Level descriptors describe the learning outcomes of each qualification. These are competence based, provide clear points of reference at each level on the qualifications framework and cover the great majority of existing qualifications.

11.2 GUIDELINE DOCUMENTS

The Authority widely consulted and finalised the following guideline documents as part of the process of operationalising the ZQF:

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.

11.3 SENSITISE STAKEHOLDERS

11.3.1 The Authority, in the period under review, engaged various stakeholders by participating at the Zambia International Trade Fair and the Lusaka Agriculture and Commercial Show

11.3.2 A joint meeting of Quality Assurance and Awarding Bodies in the education and training sector was coordinated by the Authority where deliberations centered on collaboration among the Quality Assurance and Awarding Bodies. The Institutions agreed to work together in order to streamline the procedures for registration and accreditation of qualifications.

11.3.3 Two Stakeholder sensitisation workshops were held with Appropriate Authorities, Employer Associations and selected Regulatory Authorities where it was resolved that the fees that the Authority was charging were too low and needed to be adjusted. Further, the Stakeholders observed that the insertion of "TEVET" on the Trades and Occupation Sub-framework was inappropriate and needed to be removed. The changes were subsequently effected.

11.3.4 The Authority continued, in the period under review, to run radio advertisements to reach out to the public on the mandate and services offered by the Authority.

11.4 VERIFICATION AND EVALUATION OF QUALIFICATIONS

The Authority verified and evaluated a total of three hundred and three (303) qualifications in the year under review. The majority of the qualifications verified were those for the political office and the teacher registration exercise as follows;

11.4.1 Verification Exercise of Grade 12 Qualification Following the ruling by the High Court on the interpretation of Grade 12 certificate in the Republican Constitution, ZAQA conducted more verifications for the purposes of facilitating election nominations. Given the urgency of the matter, back up support was engaged from TEVETA to assist the Authority in processing the verifications.

11.4.2 Teacher Registration Exercise As part of the requirements to register as teachers, the Teaching Council of Zambia required that all teachers with foreign qualifications had their qualifications verified by ZAQA.

11.5 QUALIFICATIONS MANAGEMENT INFORMATION SYSTEM

Management initiated the process of engaging a Consultant to develop the Qualifications Management Information Systems in line with section 9 (I) of the ZAQA Act No.13 of 2011 that gives the Authority mandate to keep a database of learning achievements in Zambia. The database of learning achievements is earmarked for implementation in 2017. The database is a key resource in ensuring that qualifications are verified and evaluated efficiently.

11.6 ZAQA TERMS AND CONDITIONS OF SERVICE

The Board considered and approved terms and conditions of service for the Authority following a salary survey that included other statutory bodies as comparators.

11.7 INTERNATIONAL ENGAGEMENTS

The establishment of the Authority was well received within the SADC region, UNESCO and other international institutions promoting quality and internationally comparable qualifications. Consequently, the Authority was engaged in following key activities:

11.7.1 Global Convention on the Recognition of Higher Education Qualifications

The Zambia Qualifications Authority is part of the Drafting Committee of the Global Convention on the Recognition of Higher Education Qualifications of the United Nations Educational, Scientific and Cultural Organisation. The mission of the Drafting Committee is to prepare a preliminary draft of the future Global Convention on the Recognition of Higher Education Qualifications. Since its establishment, the work of the Drafting Committee proceeded well through an online platform and face-to-face closed meetings.

The Director and CEO was appointed by UNESCO as an expert on the Drafting Committee for the Global Convention on the Recognition of Higher Education Qualifications. The Drafting Committee developed the preliminary working draft expected to be finalised in 2017. It is worth noting that Zambia was the only Country from Southern Africa with an expert on the Committee. The recognition by UNESCO puts Zambia on the lead with respect to recognition of qualifications globally.

11.7.2 African Qualifications Verifications Network

The AQVN was launched in Cape Town, South Africa on 16th May, 2016, aimed at promoting genuine qualifications in Africa. ZAQA was represented by the Board Chairperson, Director and CEO, and the Assistant Director Technical.

Eleven countries were represented during the meeting that resolved to launch the AQVN. A draft constitution was agreed upon and an Interim Committee was nominated to oversee the work of the AQVN. The Director and CEO was elected as Co- Chairperson of the Interim Committee of the AQVN.

11.7.3 Groningen Declaration Network

The GDN is a worldwide network aimed at promoting verification of qualifications by way of digitizing student qualifications and has been in operation for the last 5 years. It should be noted that South Africa is the only African member of GDN. Zambia and Ghana were invited to observe the proceedings to consider joining the network in due course. This will improve the efficiency of the Authority in conducting verification services to promote genuine qualifications in collaboration with International partners.

11.7.4 Engagement with the Democratic Republic of Congo

Engagements have been made with the Democratic Republic of Congo. Authorities responsible for qualifications through the DRC Embassy, and have streamlined working relationships in order to verify qualifications obtained in DRC upon request from ZAQA.

11.7.5 Engagement with UK- NARIC

The Authority has established a working relationship with UK-NARIC and has since provided information on the country profile for Zambia with respect to qualifications. Specific Information on the operations of Higher Education Authority and other registered institutions in the education and training sector in Zambia has since been provided to UK - Naric to further strengthen the international outlook of Zambia Qualifications.

11.7.6 Memorandum of understanding with Mauritius Qualifications Authority

A Memorandum of Understanding has been executed with Mauritius Qualifications to collaborate in matters of mutual interest in the area of qualifications.

11.7.7 SADC Technical Committee on Certification and Accreditation

The TCCA was held in South Africa in 2016 to review progress on the implementation of the SADC Qualifications Framework since the last meeting that was held in 2011. The meeting agreed to:

1. Develop and align national qualification framework to the SADC Framework
2. finalise the Terms of Reference for the Committee
3. Provide Technical Support to the SADC Secretariat.

The TCCA provides a valuable structure to input into the development of the SADCQF to promote access and mobility of qualifications within the SADC region.

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 judgments 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 2016; and
- 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 2016;
- c) There are reasonable grounds to believe that the Authority will be able to discharge its obligations 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 on 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 14 to 23 were approved by the Directors.

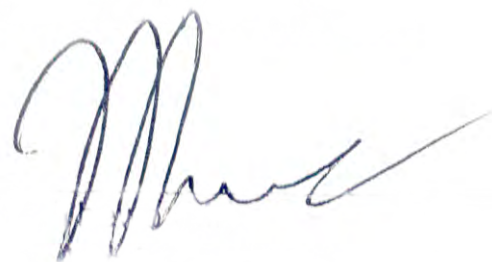


By order of the Board

Ms. Namucana C. Musiwa

**Board Chairperson
Committee Chairperson**

Date: 15/03/2017



Mr. Tom J.K. Thewo
**Finance, Administration
and Human Resources**

Date: 15/03/2017



M Sakala + Associates
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Church Road
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Email: mosessakala@yahoo.com

Independent Auditor's 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 2016, 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 18 to 23.

Directors' 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 2016, 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

The accounting and other records have been kept in accordance with the requirements of the Zambia Qualifications Authority Act No. 13 of 2011



Sakala
Certificate No. AUD/F001510

M Sakala

Partner

Certificate No. AUD/F001510

M SAKALA & ASSOCIATES

Registered Auditors

Date:

7/4/2017

ZAMBIA QUALIFICATIONS AUTHORITY

Report and Financial Statements
For the Year Ended 31 December 2016

| Statement of Comprehensive Income | | 2016 | 2015 |
|---|-------------|--------------------|-----------------|
| | Note | K | K |
| Income | 6 | 5,202,045 | 1,987,772 |
| Technical Expenses | 7 | (1,777,440) | (249,567) |
| Surplus before Operating Expenses | | 3,424,605 | 1,738,205 |
| Operating Expenses | 8 | (281,135) | (1,810,735) |
| Finance Costs | 9 | (2,003,332) | (3,309) |
| Deficit for the Period | | 1,140,138 | (75,839) |
| Other Comprehensive Gains and Losses | | 0 | 0 |
| Total Comprehensive Deficit attributable to the Authority | | 1,140,138 | (75,839) |

ZAMBIA QUALIFICATIONS AUTHORITY

Report and Financial Statements

For the Year Ended 31 December 2016

Statement of Changes in Equity

| Total | Accumulated | |
|--|-------------------------|-------------------------|
| | Fund | |
| | 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> |
| At 1 January 2016 | <u>(75,838)</u> | <u>(75,838)</u> |
| Comprehensive Income | | |
| Surplus for the Year | <u>1,140,138</u> | <u>1,140,138</u> |
| Total Comprehensive Surplus for the Year | <u>1,140,138</u> | <u>1,140,138</u> |
| At 31 December 2016 | <u>1,064,300</u> | <u>1,064,300</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 Year Ended 31 December 2016

Statement of Financial Position

| | Notes | 2016 K | 2015 K |
|---------------------------------------|-------|------------------|----------------|
| Assets | | | |
| Non – Current Assets | | | |
| Property, Plant and Equipment | 2 | <u>514,175</u> | <u>111,923</u> |
| | | <u>514,175</u> | <u>111,923</u> |
| Current Assets | | | |
| Trade and Other Receivables | 3 | 71,004 | 70,538 |
| Cash and Cash Equivalents | 4 | 379,506 | - |
| Cash and Cash Equivalents | | <u>963,057</u> | <u>58,693</u> |
| | | <u>1,413,567</u> | <u>129,231</u> |
| Total Assets | | <u>1,927,742</u> | <u>241,154</u> |
| Funds Employed and Liabilities | | | |
| Accumulated Fund | | <u>1,064,300</u> | (75,839) |
| | | <u>1,064,300</u> | (75,839) |
| Current Liabilities | 5 | <u>863,442</u> | <u>316,993</u> |
| | | <u>863,442</u> | <u>316,993</u> |
| Total Equity and Liabilities | | <u>1,927,742</u> | <u>241,154</u> |

These financial statements were approved by the Board of Directors on
and signed on its behalf by:



Namucana C. Musiwa (Ms.)

**Board Chairperson
Executive Officer**

Date: 15/03/2017



Mirriam M. A. Chiyaba (Mrs.)

Director and Chief

Date: 15/03/2017

The significant accounting policies and the notes set out on page 11 - 16 form an integral part of these financial statements .

ZAMBIA QUALIFICATIONS AUTHORITY

Report and Financial Statements

For the Year ended 31 December 2016

Statement of Cash Flows

| | Notes | 2016 K | 2015 K |
|---|-------|------------------|-----------|
| Operating Activities | | | |
| Operating Deficit | | 1,140,138 | (75,839) |
| Items Not Involving Movement of Funds | | | |
| Depreciation | 2 | 199,647 | 45,990 |
| Adjustment for Changes in Working Capital | | | |
| Increase in Trade and Other Receivables | 3 | (379,972) | (70,538) |
| Increase in Trade and Other Payables | 5 | 546,450 | 316,993 |
| Cash Generated from Operating Activities | | 1,506,263 | 216,606 |
| Net Cash Inflow from Operating Activities | | 1,506,263 | 216,606 |
| Investing Activities | | | |
| Acquisition of Property, Plant and Equipment | 2 | (601,899) | (157,913) |
| Cash Outflows from Investing Activities | | (601,899) | (157,913) |
| Net Change in Cash and Cash Equivalents | | 904,364 | 58,693 |
| Cash and Cash Equivalents at the Beginning of the Period | | 58,693 | - |
| Cash and Cash Equivalents at the End of the Period | 4 | 963,057 | 58,693 |
| Consisting of: | | | |
| Cash at Bank and in Hand | 4 | 963,057 | 58,693 |

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 Year Ended 31 December 2016

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. Grant income from the Government is recognised in the income statement when there is evidence of entitlement to the funds, certainty that the Authority will receive the funds, and the value of the income can be measured. In this regard, the Authority recognises grant income if the budget has been approved. Grant income is recognised in the income statement over the period necessary to match it with the related costs that it is intended to compensate.

Income also includes the value of services rendered in respect of evaluation and verification of qualifications as well as interest earned on securities.

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% |

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements for the Year Ended 31 December 2016

1 Significant Accounting Policies (*continued*)

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.

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 Year Ended 31 December 2016

2. Property, Plant and Equipment

| | 2016 | | | 2015 | | |
|-----------------------|--------------------|-----------------------------|-------------------|--------------------|-----------------------------|-------------------|
| | Cost/ Valuation | Accumulated Depreciation | Carrying Value | Cost/ Valuation | Accumulated Depreciation | Carrying Value |
| | K | K | K | K | K | K |
| Computer Equipment | 116,330 | (64,822) | 51,508 | 78,135 | (26,045) | 52,090 |
| Motor Vehicles | 524,400 | (131,100) | 393,300 | – | – | – |
| Fixtures and Fittings | 100,687 | (42,270) | 58,417 | 68,393 | (17,098) | 51,295 |
| Office Equipment | 18,395 | (7,446) | 10,949 | 11,385 | (2,847) | 8,538 |
| | 759,812 | (245,637) | 514,175 | 157,913 | (45,990) | 111,923 |

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

| | Carrying | Carrying value at beginning of period | Additions | Depreciation on disposals | Depreciation (depreciation) | Write back/ value at end of period |
|-----------------------|----------------|---------------------------------------|------------------|---------------------------|-----------------------------|------------------------------------|
| 2016 | K | K | K | K | K | K |
| Computer Equipment | 52,090 | 38,195 | (38,777) | – | – | 51,508 |
| Motor Vehicles | – | 524,400 | (131,100) | – | – | 393,300 |
| Fixtures and Fittings | 51,295 | 32,294 | (25,172) | – | – | 58,417 |
| Office Equipment | 8,538 | 7,010 | (4,599) | – | – | 10,949 |
| | 111,923 | 601,899 | (199,647) | – | – | 514,175 |

| | Carrying | Carrying value at beginning of period | Additions | Depreciation on disposals | Depreciation (depreciation) | Write back/ value at end of period |
|-----------------------|----------|---------------------------------------|-----------------|---------------------------|-----------------------------|------------------------------------|
| 2015 | 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 Year Ended 31 December 2016

| | 2016 | 2015 |
|--------------------------------------|-------------------------|------------------------|
| | K | K |
| 3 Trade and other Receivables | | |
| Prepayments | 71,004 | 34,000 |
| Staff Advances | <u>-</u> | <u>36,538</u> |
| | <u>71,004</u> | <u>70,538</u> |
| 4 Cash and Cash Equivalents | | |
| Cash in Hand | 1,718 | 3,000 |
| Fixed Deposit | 554,883 | - |
| Cash at Bank | 406,456 | <u>55,693</u> |
| | <u>963,057</u> | <u>58,693</u> |
| 5 Trade and other payables | | |
| Statutory Payments | 66,048 | 151,639 |
| Staff Payables | 729,467 | 129,354 |
| Other Payables | <u>67,927</u> | <u>40,000</u> |
| | <u>863,442</u> | <u>316,993</u> |
| 6 Income | | |
| GRZ Revenue Grant | 4,636,084 | 1,984,072 |
| Evaluation and Verification Fees | 551,081 | 3,700 |
| Interest on Fist Deposit | <u>14,883</u> | <u>-</u> |
| | <u>5,202,045</u> | <u>1,987,77</u> |

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements

For the Year Ended 31 December 2016

| | 2016 | 2015 |
|--|-------------------------|-------------------------|
| | K | K |
| 7 Technical Expenses | | |
| Direct Salaries & Related Expenses | 1,151,930 | - |
| Motor Vehicle Expenses | 79,822 | 77,359 |
| Advertising and Promotion | 143,019 | 147,356 |
| Information Technology Expenses | 37,764 | 28,368 |
| Evaluation and Verification Expenses | 10,681 | - |
| Study Tours | - | 118,277 |
| Qualification Network Meetings / Conferences | 35,213 | 53,725 |
| Developing Technical Documents | 120,054 | 56,165 |
| Sensitisation Workshops | 98,957 | 10,300 |
| Qualification Management Information System | - | 7,800 |
| Public Fora | - | 3,300 |
| | <u>1,777,440</u> | <u>249,567</u> |
| 8 Administrative Expenses | | |
| Rent | 223,536 | 17,000 |
| General Expenses | 20,688 | 13,131 |
| Cleaning | 10,479 | 5,630 |
| Office Refreshments | 8,648 | 17,810 |
| Newspapers & Periodicals | 8,410 | - |
| Electricity & Water | 3,715 | - |
| Insurance – Furniture | 1,365 | - |
| Entertainment Expenses | - | 998 |
| Bank Charges | <u>4,294</u> | <u>3,309</u> |
| | <u>281,136</u> | <u>57,878</u> |
| 9 Operating Expenses | | |
| Staff Salaries & Related Costs | 1,332,009 | 902,754 |
| Board of Directors & Related Expenses | 241,125 | 346,876 |
| Depreciation | 199,648 | 49,805 |
| Printing & Stationery | 90,668 | 37,990 |
| Accounting Fees | 22,985 | - |
| Professional Fees | 48,140 | 40,000 |
| Procurement Expenses | 20,380 | 2,250 |
| Communication Expenses | 18,347 | 9,883 |
| Recruitment Expenses | 18,030 | 91,758 |
| Strategic Plan & AWPB Development | 12,000 | - |
| NAPSA Penalties & Levies | - | 21,766 |
| | <u>2,003,332</u> | <u>1,810,735</u> |

ZAMBIA QUALIFICATIONS AUTHORITY

Notes to the financial statements

For the Year Ended 31 December 2016

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 2016 | |
| Trade and Other Receivables | 71,004 |
| GRZ Grant Receivables | 379,506 |
| Cash and Cash Equivalents | 963,057 |
| Trade and Other Payables | <u>(863,442)</u> |
| | <u>550,125</u> |
| | |
| 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> |

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 2016.

12 Contingent liabilities

There were no known contingent liabilities at 31 December 2016.

13 Subsequent events

There were no known subsequent events post 31 December 2016.

REGISTERED OFFICE

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