



# Zambia Qualifications Authority

**ANNUAL REPORT**

20  
22

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## ACRONYMS AND ABBREVIATIONS

ABMA	Association of Business Managers and Administrators
ACQF	African Continental Qualifications Framework
AGM	Annual General Meeting
AQVN	African Qualifications Verification Network
CATS	Credit Accumulation and Transfer System
CEO	Chief Executive Officer
COL	Commonwealth of Learning
GCE	General Certificate of Education
HEA	Higher Education Authority
IBO	International Baccalaureate Organisation
ICT	Information Communications Technology
IEC	Information Education Communications
MDD	Management Development Division
MIBS	Ministry of Information and Broadcasting
MOHE	Ministry of Higher Education
NARIC	National Academic Recognition Information Centre
NISIR	National Institute of Scientific and Industrial Research
NMCZ	Nursing and Midwifery Council of Zambia
NOKUT	Norwegian Agency for Quality Assurance in Education
NOS	National Occupational Standards
QMIS	Qualifications Management Information System
QQI	Quality Qualifications Ireland
RPL	Recognition of Prior Learning
SADC	Southern Africa Development Community
SADCQF	Southern Africa Development Community Qualifications Framework
SADC TCCA	Southern Africa Development Community Technical Committee on Certification and Accreditation
SAQA	South African Qualifications Authority
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UQP	UNESCO Qualifications Passport
ZANIS	Zambia National Information Service
ZAQA	Zambia Qualifications Authority
ZIHRM	Zambia Institute of Human Resources Management
ZQF	Zambia Qualifications Framework

## PICTURES OF SOME ACTIVITIES CONDUCTED DURING THE YEAR



From left to right Mr. Fidelis Cheelo – Director Technical Services, Mrs. Mirriam M. A Chiyaba – CEO and Mr. James Mwewa attending a conference for the African Continental Qualifications Framework in South Africa.



The ZAQA Team with UNESCO Staff, UNHCR Representatives at Meheba Settlement during interviews for the UNESCO Qualifications Passport for refugees.



ZAQA Team building held at Chaminuka in July 2022.



The ZAQA Strategic Plan development Team with MDD staff



Dissemination of Braille IEC materials to Zambia Institute of Special Needs School In Lusaka

# The Board of Directors of the Zambia Qualifications Authority.



**Mrs. Ann-Mary Malata Ononuju**  
Board Chairperson  
(Zambia Institute of Advanced Legal Education)



**Dr. John Chileshe**  
Vice Chairperson  
(Civil Society)



**Mr. William Nyundu**  
Member  
(Ministry of Education)



**Mr. Zechariah Luhanga**  
Member  
(Ministry of Labour and Social Securities)



**Mrs. Jacqueline C. M Chikwama**  
Member  
(Zambia Institute of Human Resource Management)



**Prof. Boniface Namangala**  
Member  
(Public Universities)



**Mr. Anthony Bwembya**  
Member  
(Zambia Institute of Chartered Accountants)



**Prof. Kasonde Bowa**  
Member  
(Private Universities)



**Mr. William Ngoma**  
Member  
(Zambia Air Services Training Institute)



**Mrs. Vivian Chiwila Chikoti**  
Member  
(Ministry of Health)



**Ms. Precious Lisulo**  
Member  
(Ministry of Technology & Science)

## EXECUTIVE MANAGEMENT

The Authority's Senior Management at the end of 2022 was made up of the following members:



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



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



**Mr. Fidelis Cheelo**  
Director – Technical Services



**Mrs. Natasha B. Museba**  
Legal Counsel and Board Secretary







## BOARD CHAIRPERSON'S STATEMENT

I am pleased to present the performance of the Zambia Qualifications Authority (ZAQA) for the year 2022 through this Annual Report. In the year under review, the Board remained resolute in providing guidance to the Authority, particularly regarding the direction the Board wanted the Authority to take. Our determination paid off as can be seen through the successes recorded in this Annual Report.

The Authority finally received a go ahead from the Management Development Division to proceed with finalising the 2022 – 2026 Strategic Plan after the Eighth National Development Plan (8NDP) was approved. The Board approved the 2022 – 2026 Strategic Plan which guided the operations of the Authority in the year under review.

The qualification agenda requires collaboration with other stakeholders in the sector if we are to improve the recognition and comparability of Zambian qualifications internationally. I am glad to note that the Authority continued to work with Appropriate Authorities, Awarding Bodies, Professional Bodies and industry in the year under review. It is gratifying to see that key stakeholders are beginning to recognise the important role that ZAQA plays in the education sector and its contribution to economic growth. I wish to urge all stakeholders to come on board and support the Authority as we deliver on our mandate of implementing a national qualifications framework.

The Authority continued with the review of the ZAQA Act No. 13 of 2011 in the year 2022. The review is meant to strengthen the legal framework to enforce adherence. The review is also meant to clarify the mandate and functions of the Authority in order to avoid overlaps with other institutions.

In its quest to improve the international recognition of Zambian qualifications, the Authority continued to participate in international engagements. The Authority participated in international engagements organised by the Africa Qualifications Verification Network (AQVN), African Continental Qualifications Framework (ACQF), Southern Africa Development Cooperation Qualifications Framework (SADCQF), Global Academic Integrity Network (GAIN) and the UNESCO Qualifications Passport (UQP).

I wish to convey my gratitude to the Ministry of Education for the support rendered to the Authority during the period under review. I am also grateful for the policy direction we have continued to receive from the Ministry. It is through the support of the Ministry that the Authority was able to receive the 2022 funding in full, from the Treasury.

A number of challenges were encountered in the year, which hindered the Authority from achieving some of the objectives set out in its Strategic Plan and the Annual Work Plan and Budget. The inadequate budgetary allocation from the Treasury affected the implementation of a number of activities. The Authority will continue to engage the Ministry of Education and Ministry of Finance and National Planning for increased budgetary allocation for future years.

I now invite you to read our Annual Report that is very elaborate and hope that you will find the information useful and informative.

Ann-Mary Malata Ononuju (Mrs.)

Board Chairperson



## CHIEF EXECUTIVE OFFICER'S REPORT

### Introduction

The Zambia Qualifications Authority (ZAQA) is a statutory body under the Ministry of Education established by the ZAQA Act No. 13 of 2011 to develop, oversee and maintain a national qualifications framework for Zambia, register and accredit qualifications and ensure that standards and registered qualifications are internationally comparable. The detailed functions of ZAQA are outlined in Section 9(1) of the ZAQA Act. ZAQA is also guided by Statutory Instrument (SI) No. 4 of 2018 on Accreditation, Validation and Evaluation of Qualifications.

During the year under review, the Authority continued with the review of the ZAQA Act. As at end of the year, the Act had been deferred to allow for stakeholder engagements on some provisions in the Bill. The review of the Zambia Qualifications Framework (ZQF) was put on hold awaiting the enactment of the ZAQA Bill into law.

### Operational Overview

The operations of the Authority during the year under review were guided by the 2022 – 2026 Strategic Plan and an approved Annual Work Plan and Budget whose focus was on the implementation of the ZQF.

A total of 111 qualifications were accredited in 2022 bringing the cumulative number of accredited qualifications to 520.

Challenges in registering and accrediting qualifications included the slow pace at which awarding bodies especially those under the Higher Education sub-framework were submitting qualifications to the Authority for registration. The Authority continued with stakeholder sensitisation efforts in order to rectify this identified challenge.

Further, the Authority validated and evaluated a total of 14,282 qualifications in the year under review. A total of 65 non-recognition certificates were issued for misrepresented qualifications. This represented 0.46% of processed qualifications. 1,001 qualifications were pending validation as at end of the year. The Authority continued to experience challenges in validating qualifications including delayed responses by awarding bodies to validation requests. In order to mitigate this challenge, the Authority has continued to appeal to local awarding bodies to submit learner achievement records to the Authority. The Authority has also continued engaging qualification verification agencies and embassies to help with the verification of foreign qualifications.

### Stakeholder Engagements

The Authority continued to engage stakeholders on the mandate of the Authority. Engagements with cooperating partners were also enhanced in the period under review. The Authority received financial support from the Skills Development Fund towards the development of National Occupational Standards.

### Corporate Governance

The Board continued to provide strategic guidance to the Authority in the year under review. The Board of the Authority consists of eleven members appointed in line with Section 10(1) of the ZAQA Act. The Board has put in place four Board Committees which include i) Registration and Accreditation Committee ii) Standards Setting Committee iii) Finance, Administration and Human Resources Committee and iv) Audit and Risk Committee. The Board also gave approval for Management to set up an ICT Steering Committee which was operationalized in 2022.

### Financial Performance

In the year under review, the Authority recorded an operating deficit of ZMW1,386,523. Total revenue recorded amounted to ZMW19,554,869 while expenditure amounted to ZMW21,155,448. Full grant allocated to the Authority was received in the year.

# 1.0 INTRODUCTION

## 1.1. MANDATE

The mandate of the Zambia Qualifications Authority in line with the Zambia Qualifications Authority Act No. 13 of 2011 is to develop and implement a national qualifications framework. Specific functions of the Authority are to:

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

The Authority is further guided by the Zambia Qualifications (Accreditation, Validation and Evaluation of Qualifications) Regulations, 2018

## 2.0 CORPORATE GOVERNANCE STRUCTURES

The Board of Directors of the Authority continued to provide strategic oversight of the Authority during the year 2022.

The list of Board Members and the number of meetings they attended in the year are included as Table 6:

Table 6: Meeting attendance by Board Members

No	Board Member	No. of Scheduled Meetings	No. of Meetings Attended
	Mrs. Ann M. Ononuju	7	7
	Dr. John Chileshe	7	7
	Professor Kasonde Bowa	7	6
	Dr. Tamala T. Kambikambi (Resigned September 2022)	4	4
	Professor Boniface Namangala (appointed October 2022)	3	3
	Mrs. Vivien C. Ndhlovu (resigned September 2022)	4	4
	Mr. Zechariah Luhanga (appointed October 2022)	3	3
	Mr. Fredrick Mwila (resigned May 2022)	2	1
	Mrs. Vivian Chiwila Chikoti (appointed October 2022)	3	3
	Mrs. Jacqueline C. M Chikwama	7	6
	Mr. Bonna Kashinga (resigned September 2022)	4	2
	Mr. Anthony Bwembya (appointed October 2022)	3	2
	Mr. William Nyundu	7	6
	Ms. Precious Lisulo	7	7
	Mr. William Ngoma	7	7

The Board has the authority to put in place Board Committees to assist with corporate governance matters in specific areas of operation. Attendance by the Members of the various Committees was as follows:

Table 7: Registration and Accreditation Committee

No	Committee Member	No. of Scheduled Meetings	No. of Meetings Attended
1	Dr. John Chileshe	6	6
2	Dr. Alvert Ngáandu (Resigned from the Committee)	6	3
3	Mr. Succeed Mubanga	6	5
4	Mr. Zechariah Luhanga (appointed October 2022)	3	3
5	Mr. William Ngoma	6	5

Table 8: Audit and Risk Committee

No	Committee Member	No. of Scheduled Meetings	No. of Meetings Attended
1	Mrs. Jacqueline C. M Chikwama	6	6
2	Mrs. Vivian Chiwila Chikoti (appointed October 2022)	2	2
3	Mr. Walubita Luwabelwa	6	6
4	Mr. Thomas Kaunda	6	5
5	Mr. Elijah Chabu	6	6

Table 9: Finance, Administration and Human Resources

No	Committee Member	No. of Scheduled Meetings	No. of Meetings Attended
1	Mr. Bonna Kashinga (resigned September 2022)	4	3
2	Mr. Anthony Bwembya (appointed October 2022)	2	2
3	Mr. Tom Thewo	6	6
4	Mr. Ignatius Daka	6	6
5	Professor Kasonde Bowa	6	6
6	Mr. Jacob Mkandawire	6	6

Table 10: Standards Setting Committee

No	Committee Member	No. of Scheduled Meetings	No. of Meetings Attended
1	Mr. William Nyundu	3	3
2	Professor Stephen Simukanga	4	3
3	Ms. Precious Lisulo	4	4
4	Dr. Micheal Chilala	4	2
5	Mr. Cleophas Takaiza	4	4
6.	Professor Boniface Namangala (appointed October 2022)	1	1

## 3.0 OPERATIONAL REVIEW FOR THE YEAR 2022

The Authority commenced the implementation of its Strategic Plan for the period 2022 to 2026. In this regard, the strategic objectives as espoused in the Strategic Plan guided the Authority's activities in 2022. The achievements recorded under each objective are detailed below:

### 3.1. STRATEGIC OBJECTIVE 1: IMPROVE MANAGEMENT OF THE QUALIFICATIONS FRAMEWORK

Under this Strategic Objective, the Authority committed to focusing on improving the management of the qualifications framework. In achieving the objective, the Authority applied various interventions to enhance the validation of qualifications, enforce the registration and accreditation of qualifications and enhance the ZQF.

#### 3.1.1 Enhance the recognition of **Zambian Qualifications**

##### 3.1.1.1. Review of the Zambia Qualifications Framework and Level Descriptors

During the year under consideration, the Authority finalised the process of reviewing the Zambia Qualifications Framework (ZQF) and its Level Descriptors. However, the implementation of the reviewed ZQF and its Level Descriptors was awaiting the enactment of the new ZAQA Act. As at 31st December 2022, the ZAQA Draft Bill had been presented before the Parliamentary Committee. It is anticipated that the Bill would be tabled in Parliament during its 2023 first session.

##### 3.1.1.2. African Continental Qualifications Framework

ZAQA developed two sets of Guidelines and accompanying Training Modules for the African Continental Qualifications Framework namely; Validation and Recognition of Learning, and Registers and Databases of Qualifications. The Authority also conducted training to individuals from across the African continent on the two Guidelines.

##### 3.1.1.3. UNESCO Qualifications Passport Project

The Authority continued to work with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and other partners in the implementation of the UNESCO Qualifications Passport (UQP) Project. The UNESCO Qualifications Passport provides for the recognition of qualifications held by refugees and other displaced persons. In 2022, ZAQA, UNESCO, Centro Informazioni Mobilità Equivalenze Accademiche (CIMEA) and the United Nations High Commissioner for Refugees (UNHCR) conducted the 2022 interview session for possibility of award of the UNESCO Qualifications Passport (UQP) with Refugees and Vulnerable Migrants in the Meheba Refugee Camp. This activity took place in October 2022 and out of the 18 who were interviewed, 15 were found to be satisfactory and substantiated.

##### 3.1.1.4. Southern Africa Development Community Qualifications Framework (SADCQF)

The Authority continued its participation to the SADC Qualifications Framework. The role of the Authority under SADC was to coordinate Advocacy and Communication on the implementation of the SADCQF. The alignment of the ZQF to the SADCQF was halted pending the finalization of the review of the ZQF.

##### 3.1.1.5. African Qualifications Verification Network (AQVN)

The AQVN was formed in 2016 in response to the challenges faced by many African government entities in respect to the verification of foreign qualifications. The formation of the AQVN was the outcome of a declaration by key stakeholders in qualifications management in Africa to “Build Trust and Promote Genuine Qualifications in Africa through Effective Verification”. The main function of AQVN is to develop trustworthy and legitimate institutional linkages and networks across the African continent to verify qualifications and access learner records seamlessly. AQVN has a longstanding cooperation with Southern Africa Development Community (SADC) and many other qualifications and quality assurance institutions on the continent. It is for this reason that ZAQA continued its participation especially given its role in verification of qualifications. Zambia held the Chairperson position until September 2022.

### 3.1.1.6. Collaboration with similar institutions

The Authority continued to collaborate with international counterparts as follows:

- a). The South African Qualifications Authority (SAQA) on the verification of qualifications and matters to do with the AQVN;
- b). The Quality and Qualifications Ireland (QQI) regarding benchmarking in the implementation of the national qualifications framework. ZAQA was also co-opted as a member of the Global Academic Integrity Network (GAIN) established by QQI. GAIN aims at ensuring that there is integrity in academia which has been eroded by contract cheating. The Authority participated in the launch of GAIN which was held in Dublin, Ireland in October 2022.

### 3.1.1.7. Local engagements

The Authority continued to engage with local stakeholders including the Examinations Council of Zambia (ECZ), the Higher Education Authority (HEA) and the Technical Educational, Vocational Entrepreneurship Training Authority (TEVETA) with respect to the submission of learner records and qualifications for registration.

## 3.1.2 Intended results 1: Increased accreditation of qualifications

During the year 2022, the Authority received 118 qualifications for registration and accreditation on the Zambia Qualifications Framework. A total of 111 qualifications were registered and accredited in the year bringing the total of qualifications registered and accredited on the ZQF to 520. Seven qualifications were pending registration and accreditation at the end of the year. Further, the Board approved the revised Guidelines for the Registrations and Accreditation of Qualifications. The revision of the Guidelines was aimed at making the accreditation process seamless for the appropriate authorities and awarding bodies.

Table 2: Number of Qualifications Received and Accredited in 2022

	2021	2022
Brought Forward from previous year	3	0
Qualifications Received	300	118
Qualifications Accredited	266	111
Qualifications Not Accredited	37	0
Pending Accreditation as at 31 December	0	7

### 3.1.2.1. Challenges in accrediting Qualifications

The Authority did not accredit and register the targeted 630 qualifications because Appropriate Authorities did not submit qualifications as anticipated.



### 3.1.2.2. Strategies to Address the Challenges identified above

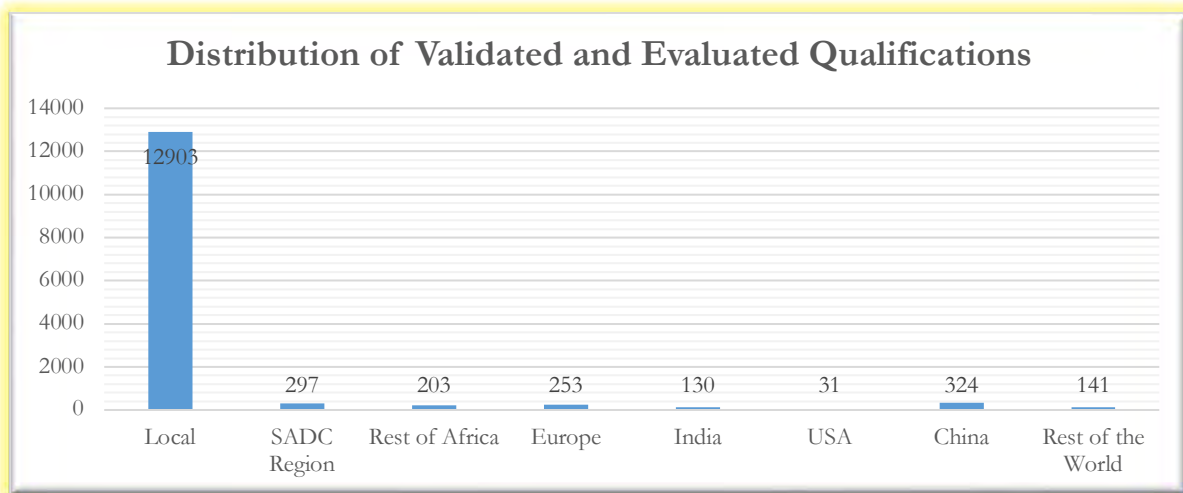
The following strategies were put in place in order to address the challenges identified above:

- i). Holding of sensitisation meetings with Appropriate Authorities to remind them of the need to submit qualifications for registration and accreditation on the ZQF and implications of offering qualifications not registered and accredited on the ZQF; and
- ii). Sending follow up letters to remind Appropriate Authorities to submit qualifications.

### 3.1.3 Intended results 2: Increased validation and evaluation of qualifications

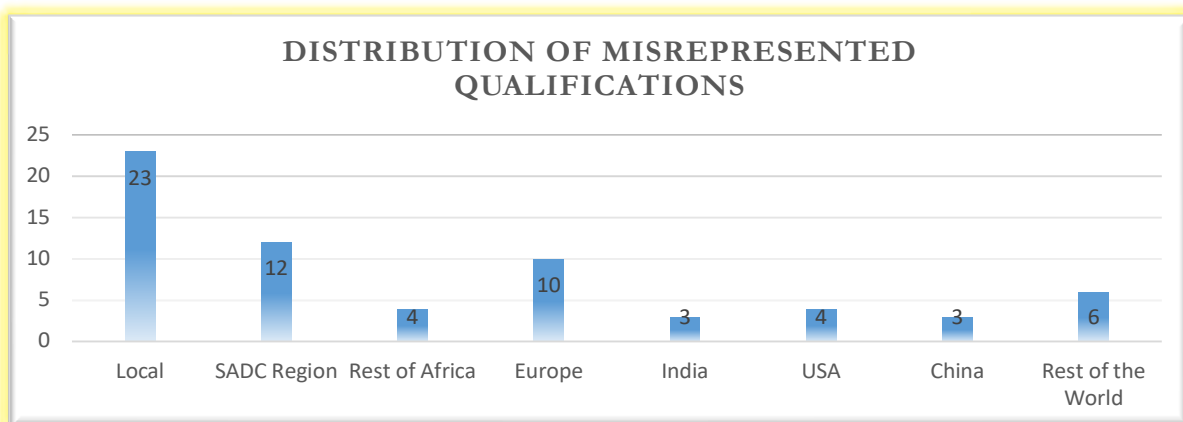
In the year 2022, the Authority received a total of 13,676 applications for validation and evaluation. A total of 14,282 validations and evaluation were completed in the year. The validated and evaluated qualifications were distributed as shown in Figure 3.

Figure 3: Distribution of validated and evaluated qualifications



The Authority recorded a total of 65 misrepresented qualifications in the year representing 0.46% of validated and evaluated qualifications. The misrepresented qualifications were distributed as follows:

Figure 4: Distribution of misrepresented qualifications



The distribution of received, validated and evaluated, as well as pending qualifications was as represented in Table 3.

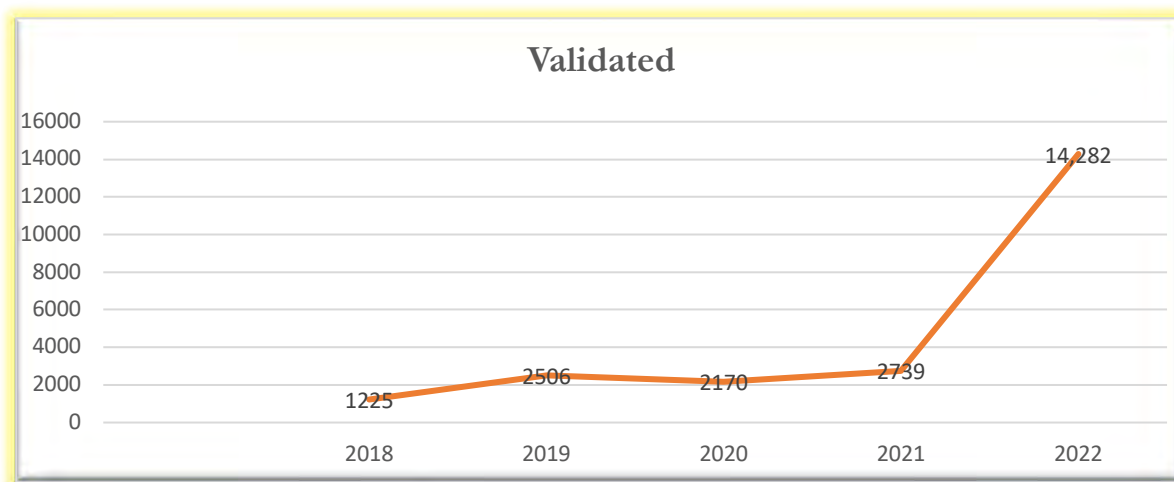
Table 3: Number of qualifications received for Validation and Evaluation

	2021 *	2022
Qualifications Brought Forward from previous year	1,165	1,607
Qualifications Received	3,181	13,676
Qualifications validated & evaluated	2,739	14,282
Pending as at 31 December	1,607	1,001

\*2021 figures were restated after a thorough reconciliation.

The trend in the validation of qualifications from 2018 is indicated in Figure 5:

Figure 5: Validated qualifications in the last five (5) years



### 3.1.3.1. Challenges in the validation and evaluation of Qualifications

The main challenge encountered in the validation and evaluation of qualifications during the year under review was the delay in the confirmation of qualifications from some Awarding Bodies.

The challenge above contributed to most qualifications being processed beyond the stipulated turnaround timelines during the year.

### 3.1.3.2. Strategies to Address the Challenges

The following strategies were put in place to address the challenges identified in the validation of qualifications:

- i). Continued targeted sensitisation of local awarding bodies on the importance of validation of qualifications, submission of learner achievement records and the need to respond promptly to validation requests from the Authority.
- ii). Continued collaboration with Embassies and Qualification Agencies to facilitate the validation of qualifications from foreign countries. In 2022, the Authority continued to work with the Qualification Check to help in the validation of qualifications where the Authority was struggling to get validation confirmations.

### **3.1.4 Intended results 3: Increased compliance to set standards**

During the year under review, the Authority conducted the following activities aimed at increasing compliance to set standards.

#### **3.1.4.1. Domestic Legal Framework**

The review of the Zambia Qualifications Authority Act No. 13 of 2011 continued in 2022 and the Draft ZAQA Bill reached Parliamentary Stage. The following meetings were held in 2022:

- a). Drafting of the Statutory Instrument (Regulations) from 27th June to 1st July 2022. The Regulations will be issued pursuant to the revised ZAQA Act in collaboration with the Ministry of Justice and the Ministry of Education;
- b). ZAQA appeared before the Committee on Education, Science and Technology to defend the contents of the Bill on 11th October 2022;
- c). Meetings were convened by the Permanent Secretary – Administration, in the Ministry of Education, to resolve outstanding issues among institutions under the Ministry of Education following the Parliamentary Committee Report. The meetings were held on 17th and 19th October 2022.
- d). A summary Report on the agreed Amendments to the Bill was submitted to the Ministry of Justice and the Ministry of Education for action on 21st October 2022.

#### **3.1.4.2. International Legal Framework**

The process for the ratification of the Global Convention on the Recognition of Qualifications concerning Higher Education commenced in the period under review and an Ad Hoc working group was established in November 2022 through the Planning Department, Ministry of Education and the UNESCO Country Office. It was expected that the process would be finalized by November, 2023.

#### **3.1.4.3. Litigation And Compliance**

ZAQA did not record any litigation cases in the year 2022. Therefore, at the end of 2022, there were no active or pending cases in the Courts of Law against ZAQA or commenced by ZAQA.

#### **3.1.4.4. Contract Management**

The Authority developed its Contracts Management List and in the year 2022, all Contracts were compliant with the Zambia Public Procurement Authority (ZPPA) Laws, the Public Finance Management Act and the Constitution.

#### **3.1.4.5. Quality Assurance**

The Authority undertook quality assurance compliance audits at the Examinations Council of Zambia (ECZ), Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) and the Higher Education Authority (HEA). All the three institutions were found to be compliant with the ZAQA standards.

## **3.2. STRATEGIC OBJECTIVE 2: ENHANCE UPTAKE OF OCCUPATIONAL STANDARDS**

Under this objective, ZAQA committed to increasing the number of developed National Occupational Standards (NOS) in more sectors. The Authority endeavored to enforce the incorporation of NOS

in learning programmes submitted for registration and accreditation as qualifications. The intended result was to increase the skills and competences of graduates in line with industry expectation.

The National Occupational Standards are primarily aimed at ensuring that the outcome from the education system responds to industry needs. The Authority launched a total of thirty-nine (39) NOS in two sectors as follows:

- i). **Tourism:** Executive Housekeeper, Housekeeping Supervisor, Laundry Manager, Laundry Valet, Front Office Supervisor, Reservations Officer, Food and Beverage Manager, Assistant Food and Beverage Manager, Restaurant Manager, Executive Sous Chef, Head Steward, Wildlife Safari Canoe Guide, Wildlife Safari Walking Guide, Wildlife Ranger, Wildlife Police Officer, Site Conservation Officer, Conservation Assistant, Travel Tour Planner, Tour Operations Manager and Banquets Manager.
- ii). **Agriculture:** Agricultural Economist, Agricultural Marketing Officer, Agricultural Plant Inspector, Agricultural Research Technologist, Agriculture Engineer, Agronomist, Animal Breeder, Animal Nutritionist, Animal Science Laboratory Technologist, Aquaculture Economist, Dairy Farm Supervisor, Dairy Scientist, Fisheries Extension Provider, Fisheries Officer, Livestock Artificial Inseminator, Pond worker, Precision Agricultural Technologist, Scuba Diver and Slaughter Supervisor .



ZAQA Staff with Zambia Tourism Agency Staff meeting to disseminate developed NOS in the Tourism Sector



Launch of NOS for Tourism and Agriculture Sectors by Minister of Education, Hon. Douglas Sykalima M.P

### **3.2.1 Challenges Encountered during the year under Review**

- 3.2.1.1. Low number of submissions at commenting stage by key sector players in the NOS development process;
- 3.2.1.2. Reduced financial support from cooperating partners which largely affected the development of NOS.

### **3.2.2 Strategies to Address the Challenges**

The following strategies were put in place to address challenges identified:

- 3.2.2.1. Engaging stakeholders and soliciting comments for the validation of NOS
- 3.2.2.2. Enhancing the implementation of the Resource Mobilisation Strategy.

## **3.3. STRATEGIC OBJECTIVE 3: IMPROVE FINANCIAL RESOURCE MOBILIZATION AND MANAGEMENT**

Under this Strategic objective, it was expected that the Authority would strive to improve its funding sources and enhance financial management. To achieve this, the ZAQA would seek to increase its financial base, enhance internal control systems and produce unqualified external audit reports. In the year under review, the following were achieved:

### **3.3.1 Intended Result I: Enhance Financial Accountability**

- 3.3.1.1. The Internal Audit function continued to be outsourced to the HLB Zambia in order to reduce costs associated with recruitment. The Board approved the continued outsourcing of the Internal Audit function after the contract with HLB Zambia ended.
- 3.3.1.2. The statutory audit of the 2022 financial statements was conducted by our external auditors, Mark Daniels Chartered Accountants. In the opinion of the auditors, the Authority's financial statements represented fairly, the performance of the Authority in 2022.

### **3.3.2 Intended Result II: Increase Financial Base**

- 3.3.2.1. The Authority continued with the development of guidelines for the African Continental Qualifications Framework (ACQF) project through consultancy. These were finalised in the year under review.
- 3.3.2.2. The increase in the validation requests provided an opportunity for the Authority to raise funds from the validation and evaluation of qualifications.
- 3.3.2.3. The Authority was able to raise ZMW350,000 from the Skills Development Fund towards the development of NOS.

## **3.4. STRATEGIC OBJECTIVE 4: ENHANCE CUSTOMER SERVICES**

Through this Strategic Objective, ZAQA committed to building a positive corporate image and improving its visibility and accessibility. The Authority also committed to reducing customer complaints and increasing awareness of its services to the general public.

### **3.4.1 Intended Result 1: Positive corporate image**

The following activities were undertaken to improve corporate image:

#### **3.4.1.1. Branding**

- a). The Authority redesigned the “How to Apply Online” brochure to make it easier for clients to use the QMIS when applying for the verification and evaluation of their qualifications
- b). New pop ups were procured for use around the office spaces as well as for use for outside meetings and engagements;
- c). The Authority participated in the 94th Agriculture and Commercial Show in Lusaka through a ZAQA Branded wall advert at the Polo Parking Fields at entrance of Gate 9.
- d). The Authority procured reusable branded facemasks that were distributed to staff and various stakeholders. This was for protection against the spread of the Covid 19 Virus as well as increasing the visibility of the Authority.
- e). ZAQA branded diaries that were distributed to clients and stakeholders

### **3.4.2 Intended Result 2: Increased visibility of ZAQA services**

In an effort to increase the visibility of ZAQA and its services, the following activities were undertaken:

#### **3.4.2.1. Stakeholder Engagements**

- a). ZAQA commenced the publication of monthly articles discussing the functions and services of the Authority in the Times of Zambia;
- b). The Authority produced new brochures and fliers in braille with the Zambia Library, Cultural and Skills Centre for the Visually Impaired. The braille fliers were distributed around schools in Lusaka that have a special needs unit and included Munali Secondary School, Zambia Institute of Special Education (ZAMISE), Kamwala Secondary School, Chilenje B Secondary School, and UTH Special Needs School;
- c). ZNBC TV2 aired a forty-five-minute documentary on the mandate of ZAQA which was produced by Parliament TV;
- d). ZAQA featured on the LIVE FM phone-in Breakfast Show, discussing the functions and services of the Authority;
- e). The Authority finalised the Radio Programme on Radio Phoenix themed ‘Making Sense of Qualifications’ which ran for 14 weeks. Each week, ZAQA staff explained the different services and functions offered by the Authority;
- f). Sensitisation visits to selected Higher Education Institutions (HEIs) in Lusaka were conducted to discuss the submission of learner records, registration and accreditation of qualifications on the ZQF and the application of NOS in curriculum development;
- g). ZAQA had a Meeting with Zambia Tourism Agency to share the developed NOS in the Tourism Sector and further shared ideas on how the two institutions could collaborate in areas of mutual interest;
- h). ZAQA participated at the Zambia Institute of Human Resource Management (ZIHRM) Annual Convention in Livingstone where a presentation was made to the participants. ZAQA also exhibited and placed an advert and article in the Zambia Human Capital Manager Magazine which was distributed to all its members.
- i). The Authority participated in a live radio programme on the Ministry of Education Broadcasting Services. Further four Radio programmes were recorded for playing on same Radio station;

- j). The Authority featured on the Spring 24 TV's Breakfast Show to discuss the functions and services of ZAQA.
- k). ZAQA featured on the Diamond TV's Breakfast show represented by the CEO. The interview focussed on National Occupational Standards (NOS) and bridging the gap between graduates and industry needs.



ZAQA Staff at Radio Phoenix during the 14-week Series Programme

### 3.4.2.2. Social Media

The following were the Social media statistics at the end 2022:

Platform	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022
Twitter	544 followers	559 followers	664 followers	682 followers
LinkedIn	8,624 followers	10,014 followers	12,113 followers	13,327 followers
Facebook	14,346 followers	15,071 followers	16,836 followers	18,011 followers
Website	38,137 visits	18,084 visits	26,020 Visits	28,153 Visits

### 3.4.2.3. Advertising

- a). A ZAQA advert was aired on ZNBC TV1 to promote the Authority's services;
- b). The Authority aired a 60 seconds radio advert for 30 days on LIVE FM and Radio Icengelo on the services of the Authority. The use of the two radio stations was an effort to reach different audiences across the Country;
- c). The Authority ran a one-month Digital Advertising campaign that increased the number of followers of ZAQA's social media platforms; and
- d). An Advert was placed in the ZICA Magazine showcasing the ZAQA services.

## 3.5. STRATEGIC OBJECTIVE 5: IMPROVE MANAGEMENT SYSTEMS

Through this objective, ZAQA committed to ensuring that its services were delivered according to the customer service charter. These efforts were aimed at achieving efficient and effective service delivery. In the period under review, the following activities were undertaken to improve management systems:

### **3.5.1 Creation and actualization of the Information Communication Technology (ICT) Steering Committee with full mandate to steer the development of ICTs at the Authority.**

### **3.5.2 Development and actualization of the following Policies and plans:**

3.5.2.1. Business Continuity and Disaster Recovery Plans;

3.5.2.2. Information Communication Technology Security Policy; and

3.5.2.3. ICT Risk Register

### **3.5.3 All systems were fully licensed in conformance with the best practice to optimize the operations of the Authority**

### **3.5.4 The Qualifications Management Information System (QMIS) was stabilized and re-invigorated through the development of enhancements such as:**

3.5.4.1. Generation of automated responses;

3.5.4.2. Addition of Mobile Money Payment options; and

3.5.4.3. Installation of a fast and stable direct fiber optic line between Infratel Data Center and ZAQA offices.

## **3.6. STRATEGIC OBJECTIVE 6: IMPROVE HUMAN RESOURCES**

In line with Strategic Objective 6, the following activities were undertaken in 2022 in an effort to improve human resources:

### **3.6.1 Staff Complement**

The number of staff at the close of the year was twenty-four (24), against a staff establishment of thirty-two (32).

### **3.6.2 Gender Distribution**

Out of the twenty-four staff members, thirteen (13) were female while eleven (11) were male.

### **3.6.3 Staff Recruitment and Promotion**

A total of four vacant positions were filled in 2022. The Legal Counsel and Board Secretary, Manager - Information Communications Technology and the Information Communications Technology Officer were resourced externally. The position of Director – Technical Services, which fell vacant during the course of the year was filled in by way of internal promotion. The Authority promoted the Manager – Standards and Quality Assurance to Director – Technical Services.

### **3.6.4 Staff Separations**

A total of three employees separated with the Authority during the year under review. These were; the Chief Executive Officer, the Director Technical Services and the Procurement Specialist. The Contract of Employment for the Chief Executive Officer came to an end on 31st December 2022.

### **3.6.5 Staff Capacity Development**

In its never ending quest to continuously build capacity in the workforce, the Authority organized the following staff trainings in the year:



- 3.6.5.1. All members of staff at Specialist level underwent training in Report Writing in February 2022. The training was conducted by ZCAS University.
- 3.6.5.2. Seven members of staff who were doing French Language studies sat for their DELF A1 examinations in June 2022 at Alliance Francaise, and all passed the examinations.
- 3.6.5.3. The Chief Executive Officer, Acting Director - Technical Services and Manager - Qualifications Services participated as trainers in the training for the project - Skills Initiative for Africa under the theme, 'Skills, qualifications and Frameworks for mutual trust in a changing world', a Capacity Development Programme facilitated by the Africa Continental Qualifications Framework (ACQF) Development Project held in September 2022 in Johannesburg, South Africa. All Specialists and Officers from the Technical Services Department attended this training virtually.
- 3.6.5.4. Unicaf University organized a Customer Service Training in September 2022 held at the University campus. Five members of staff attended the training namely; Administration Officer, two Qualifications Services Officers, ICT Officer and the Office Assistant.
- 3.6.5.5. Twenty-one (21) members of staff were affiliated to professional bodies during the year 2022.

### **3.6.6 Staff Health and Wellness Activities**

The Authority organized and held physical fitness activities for all members of staff throughout the year. Further, ZAQA engaged a Consultant to make a presentation on health related matters. The topics covered included; Mental Health, Stress Management at the Workplace and Hygiene in the Workplace.



ZAQA Staff during the Health and Wellness Activities

### **3.6.7 Annual Team Building**

The Authority continued the implementation of programmes to inculcate the ZAQA Core Values. Activities to enhance team cohesion and spirit were conducted in the year including a Team Building Retreat which was held in July 2022 at Chaminuka Lodge and was facilitated by TopFloor Consultants.

### 3.6.8 Automation of the Performance Appraisal Process

The Automation of the Performance Management System progressed well during the year under review. The Consultant finalised the development of the project in the year. Deployment of the system was yet to be done by the close of the year.



ZAQA Board, Management and Staff at the End of Year Performance Meeting

## 3.7. STRATEGIC OBJECTIVE 7: IMPROVE INSTITUTIONAL INFRASTRUCTURE

Through this objective, ZAQA committed to improving institutional infrastructure in order to attain operational excellence. In order to do this, the Authority planned to upgrade its ICT infrastructure to enhance its service delivery. Further, ZAQA planned to construct its office accommodation in order to have a conducive working environment for its employees. During the year under review, the following activities were undertaken:

- 3.7.1 Core Server Upgrades were done to increase processing speed and storage space of the server subsequently improving the system responsiveness.
- 3.7.2 Acquired a new Virtual server to accommodate additional systems i.e Performance Management System.
- 3.7.3 Acquired a dedicated fiber optic line between ZAQA and Data Center to improve connectivity between the two sites and mitigate downtimes associated risk.

## THE OUTPUT MATRIX - PERFORMANCE AGAINST THE SET TARGETS FOR THE YEAR UNDER REVIEW.

S/N	SECTION / UNIT	INTENDED RESULT	OUTPUT INDICATORS	2022 PERFORMANCE AGAINST TARGET	
				2022 PLANNED TARGETS	2022 PERFORMANCE
1	Qualifications Services	Increased validation & evaluation of qualifications	Number of applications for validation of local qualifications processed at the end of 2022.	Validate at least 1200 local applications received for validation by December 2022	12,903 local qualifications were validated.
			% of local qualifications validated within 14 days	90% of local qualifications received validated within 14 days	44.9% of the local qualifications validated were processed within 14 days.
2			Number of applications for validation of foreign qualifications processed at the end of 2022	Validate at least 1300 foreign applications received for validation by December 2022	1,379 foreign qualifications were validated and evaluated.
			% of foreign qualifications validated	90% of foreign qualifications received validated within 30 days	56.1% of the foreign qualifications validated and evaluated were processed within 30 days.
3	Qualifications Services	Increased accreditation of qualifications	Number of applications received for accreditation processed at the end of 2022	Register and accredit at least 630 qualifications onto the ZQF by December 2022	111 qualifications were registered and accredited on the ZQF.
			% qualifications processed within time	95% of received applications for accreditation processed within 30 days	43.5% of the evaluated qualifications were processed within 30 days.
4				Publish / gazette accredited qualifications	The List of qualifications registered and accredited on the ZQF was published in April, 2022.

S/N	SECTION / UNIT	INTENDED RESULT	OUTPUT INDICATORS	2022 PERFORMANCE AGAINST TARGET	
5				Conduct 2 refresher workshops to offer technical support to Appropriate Authorities	Two workshops were conducted with Appropriate Authorities. Further, one-on-one meetings were held with HEA, TEVETA and ECZ.
6				Implementation of the revised Registration and Accreditation Guidelines by December 2022	The revised Registration and Accreditation Guidelines were fully implemented.
7	Standards and Quality Assurance	Increased compliance to standards	Implementation of the revised ZAQA Act	New ZAQA Act assented by December, 2022	The New Act was presented to Parliament for first reading
8	Standards and Quality Assurance		Implementation of the revised ZQF and level descriptors	Revised ZQF structure and level descriptors gazetted by December, 2022.	This activity was not undertaken because the ZAQA Bill was not enacted into law to support the revised ZQF.
9	Standards and Quality Assurance		Number of appropriate authorities audited.  % of institutions compliant	3 Compliance Audits by December, 2022.  100% of institutions audited compliant	Compliance Audits were conducted on the following Appropriate Authorities: ECZ; TEVETA; and HEA. All institutions were found to be compliant.
10	Standards and Quality Assurance		Percentage of National Development Plan key priority sectors with NOS.	6 NOS developed in each of the following sectors; Manufacturing Mining Energy Construction	The launch of the thirty-nine (39) NOS was held on 28th December 2022 for the Tourism and Agriculture Sectors.  The planned NOS development for the Manufacturing, Mining, Energy and Construction sectors were not undertaken due to financial constraints.

S/N	SECTION / UNIT	INTENDED RESULT	OUTPUT INDICATORS	2022 PERFORMANCE AGAINST TARGET	
11		Recognition of Appropriate Authorities	Number of Appropriate Authorities recognized	Recognition of foreign awarding bodies not covered under TVET and HE Act	This activity was not undertaken because no foreign awarding body submitted an application to the Authority for recognition.
12	Standards and Quality Assurance	Strengthened collaborations	Number of regional collaborative agreements	Engage in two regional Collaborative agreements  Participate in at least 4 collaborative meetings; 2 study tours (validation, NOS); 2 International conferences by December 2022	Attended webinars organized by ACQF and African qualifications Verification Network  Joined Global Academic Integrity Network (GAIN) as founder members  Attended inaugural conference in Dublin by GAIN
13	Standards and Quality Assurance		Number of local collaborative agreements	Hold at least two local collaborative meetings by December 2022  Hold at least two collaborative meetings on Quality Assurance with Appropriate Authorities managing the sub-framework by December, 2022	One Quality Assurance Agencies Coordination Meeting was held on 31st May 2022.
14	Standards and Quality Assurance	Improved reporting	System commissioned	Continued Implementation of the M&E Framework	No implementation of the M&E Framework was done because the 2022 – 2026 Strategic Plan for the Authority was pending approval.
15	Corporate Services	Improved efficiency	Percentage of learner records uploaded on the QMIS by December 2020	Records from at least 30 awarding bodies uploaded to the QMIS by December 2022	The Authority received records from 17 awarding bodies in the year 2022

S/N	SECTION / UNIT	INTENDED RESULT	OUTPUT INDICATORS	2022 PERFORMANCE AGAINST TARGET	
16	Standards Setting	Strategic Plan in place	Review of strategic plan	Launch and implementation of 2022 – 2026 Strategic Plan	Launch of Strategic Plan delayed as it awaited the finalization of the 8NDP. Launch was moved to Q1 of 2023
17	Corporate Services	Improved Service Delivery	Develop and implement a service delivery charter	90% of activities conducted in line with the service delivery charter by December 2022	46% of services were provided within the ZAQA Service Delivery Charter
18	Corporate Services	Positive Corporate Image	Percentage of adherence to ZAQA Core Values	100% adherence to ZAQA Core Values by all staff in 2022	Based on the performance assessment of staff for 2022, all staff adhered to ZAQA Core values 100%
19	Corporate Services	Improved human resources	At least 80% of staff achieving 85% of their set targets	Develop and implement a staff Training Plan for 2022 by June 2022	A training plan was developed. Implementation was done partially due to financial challenges
20	Corporate Services			Review the reward system by December 2022	This was put on hold after the establishment of the Emoluments Commission
21	Corporate Services			Integrate performance management system with reward mechanism by December 2022	This was put on hold after the establishment of the Emoluments Commission
22	Corporate Services	Improved service delivery		85% implementation of the organization structure by December 2022.	As at end of the year, the Authority's establishment was 25 out of 32 (78%)
23	Corporate Services	Improved accountability	Unqualified audit report	Unqualified audit report by December 2022	The auditors issued an unqualified audit report after audit of the 2022 financial statements
24	Corporate Services		Percentage of activities conducted within approved budget	95% of 2022 activities conducted within approved budget	96% of activities in 2022 were conducted within budget

S/N	SECTION / UNIT	INTENDED RESULT	OUTPUT INDICATORS	2022 PERFORMANCE AGAINST TARGET	
25			% budget from other sources	25% of budget from other sources (other than GRZ)	17% of income in the year 2022 was from other sources other than Government Grant
26	Corporate Services	Improved institutional infrastructure	Staff accommodated	Secure funds for infrastructure development	Due to budgetary and financial constraints, the Authority was unable to set aside funds for infrastructure development

## 4.0 RISK MANAGEMENT

The following activities were undertaken in order to mitigate risks in the year under review:

### 4.1. RISK MANAGEMENT POLICY

The Authority, with the assistance of the Internal Auditors, HLB Zambia, developed and implement the Risk Management Policy, for the identification and management of identified risks.

### 4.2. RISK REGISTER

The Authority developed a Risk Register which identified forty-five risks as indicated in Table 11.

Colour Code	Risk Value	Number of Risks Identified
Red	32-50	11
Orange	18-24	17
Yellow	10-16	11
Green	1-8	6

## 5.0 FINANCE

The following section presents the financial performance of the Authority in the year under review.

### 5.1. BUDGET PERFORMANCE

The total approved budget for 2022 was ZMW29,175,004. Of the budgeted amount, the Authority recorded income of ZMW19,554,871 as indicated in Table 11.

Table 11: Income Received in the year

	2022 Budget Performance			
	Actual (ZMW)	Budget (ZMW)	Variance (ZMW)	% Variance
Government funding	16,162,184	16,162,184	0	0%
Registration and Accreditation	600,000	3,250,000	(2,650,000)	(82%)
Validation and Evaluation	2,379,200	1,920,000	459,200	24%
Other Income	413,487	7,842,820	(7,429,333)	(95%)
Total	19,554,871	29,175,004	(9,620,133)	(33%)

- 5.1.1 The Authority received all the funding allocated from the Treasury in the year under review.
- 5.1.2 The Authority continued to experience challenges in receiving qualifications for accreditation from Appropriate Authorities hence the number of qualifications targeted for accreditation could not be achieved. This impacted the income anticipated from the Registration and Accreditation of qualifications’
- 5.1.3 The Authority recorded an achievement of 124% of the yearly budgeted amount on validation and evaluation of qualifications. This was necessitated by continuous engagement with stakeholders such as the Employers, Professional and other Regulatory Bodies. Further, a number of professional bodies have made it mandatory for their members to have qualifications validated by ZAQA.
- 5.1.4 Funds anticipated from own resource mobilisation efforts could not be actualised in the year under review, however, the Authority managed to raise funds from the Skill Development Fund (SDF) through the Ministry of Technology and Science and the Technical Education, Vocational, and Entrepreneurship Training Authority for the development of National Occupational Standards. The total received from the SDF was ZMW 350,000.



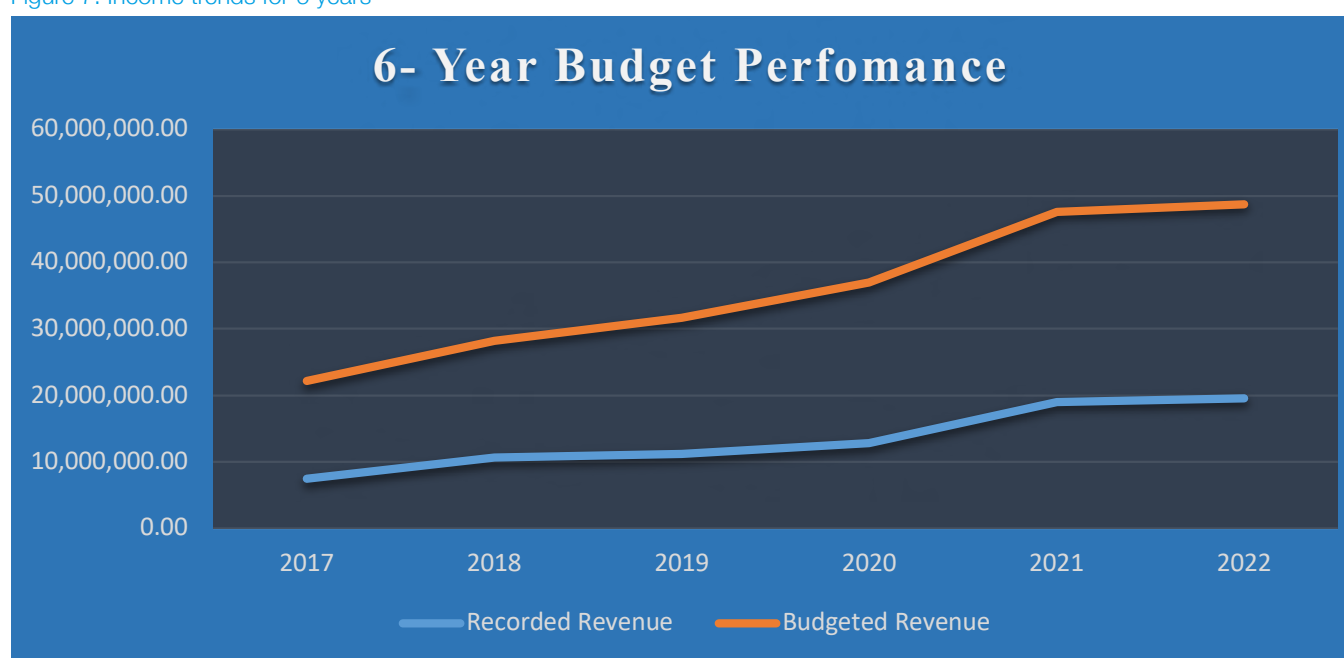
The Authority participated as trainers in the training for the project - Skills initiative for Africa under the theme, 'Skills, qualifications and Frameworks for mutual trust in a changing world', a Capacity Development Programme facilitated by the Africa Continental Qualifications Framework (ACQF) Development Project.

Table 12 and Figure 7 show total revenue performance in the last Six (6) years:

Table 12: Income trends for 5 years

Year	Recorded Revenue	Budgeted Revenue	Variance	% variance
2017	7,470,410.00	14,701,775.00	(7,231,365.00)	(49%)
2018	10,694,725.00	17,484,075.00	(6,789,350.00)	(39%)
2019	11,196,487.00	20,429,075.00	(9,232,588.00)	(45%)
2020	12,820,765.00	24,178,115.00	(11,357,350.00)	(47%)
2021	19,051,263.00	28,569,892.00	(9,518,629.00)	(33%)
2022	19,554,871.00	29,175,004.00	(9,620,133.00)	(33%)

Figure 7: Income trends for 6 years



There has been a slow but steady increase in the revenue of the Authority although budgetary allocation from the Treasury remained static from 2017 to 2022.

## 5.2. FINANCIAL PERFORMANCE

The Authority recorded an operating deficit of (ZMW1,386,524) (2021: (ZMW1,950,159)) in the year under review. Total expenditure for the year amounted to ZMW21,155,448 (2021: ZMW23,077,648) of which ZMW214,055 (2021: ZMW 2,076,225) related to non-current assets.

## ZAMBIA QUALIFICATIONS AUTHORITY

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Name of organisation	Zambia Qualifications Authority	
Nature of organisation	Statutory Body Established by Zambia Qualifications Authority Act No. 13 of 2011	
Principal activity	Developing and Implementation of a National Qualifications Framework	
Directors		
Names	Designation	Organization
Mrs. Ann-Mary Malata – Ononuju	Board Chairperson	Zambia Institute of Advanced Legal Education
Dr. John Chileshe	Vice Chairperson	Civil Society Organisation
Ms. Precious Lisulo	Member	Ministry of Technology and Science
Prof. Boniface Namangala	Member	Public Universities
Mrs. Vivian Chiwila Chikoti	Member	Ministry of Health
Mr. William Nyundu	Member	Ministry of Education
Mr. Anthony Bwembya	Member	Zambia Institute of Chartered Accountants
Prof. Kasonda Bowa	Member	Private Universities
Mr. Zechariah Luhanga	Member	Ministry of Labour and Social Security
Mr. William Ngoma	Member	Zambia Air Services Training Institute
Mrs. Jacqueline C.M Chikwama	Member	Zambia Institute of Human Resource Management
Mrs. Mirriam M. A. Chiyaba	Ex-Officio	Zambia Qualifications Authority
Business Address	Ground Floor Finsbury Park Kabwe Roundabout P.O. Box 51103 Lusaka Zambia	
Bankers	Investrust Bank Plc Manda Hill Shopping Centre P.O. Box 62344 Lusaka	
	Stanbic Bank Zambia Limited Lusaka Main Branch P.O. Box 32111 Lusaka Zambia	
Auditors	Mark Daniels CHAZ Complex Plot No.2882/B/5/10 Third Floor, Suite F3-10/F3-11 Off Great East Road Mission Drive, Waterfalls Lusaka	

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The Directors have the pleasure of presenting their report and audited financial statements for the year ended 31st December 2022.

## 1. Nature of Entity

The Zambia Qualifications Authority (ZAQA) is a statutory body under the Ministry of 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. The registration and accreditation of qualifications;
- iii. The provision of measures to ensure that standards and registered qualifications are internationally comparable and;
- iv. The provision of services in matters connected with, or incidental to the foregoing.

## 3. Financial results

The Authority's financial year is from 1st January 2022 to 31st December 2022

During the financial year ended 31st December 2022, the Authority recorded a deficit of ZMW 1,386,523 as compared to a deficit of ZMW 1,950,159 during the year ended 31st December 2021.

The following is a summary of the financial results: -

	2022	2021
	ZMW	ZMW
Income	19,554,869	19,051,263
Expenditure	(20,941,392)	(21,001,422)
Deficit for the year	(1,386,523)	(1,950,159)

## 4. Property, plant and equipment

The Authority made additions to its fixed assets by purchasing property, plant and equipment amounting to ZMW 214,055 (2021: ZMW 2,076,225) during the year. In the opinion of the Directors, the carrying value of property and equipment is not less than its recoverable amount.

## 5. Health, Safety and Environmental Issues

The Authority is committed to ensuring the health, safety and welfare at work of its employees and for protecting other persons against risks to health and safety arising out of, and in connection with, the activities at work of those employees.

## 1. Number of employees

The average number of persons employed by the Authority and their remuneration during the financial year was as follows:

Month	Salaries and allowances		Number of employees	
	2022	2021	2022	2021
	ZMW	ZMW		
January	765,596	838,448	25	29
February	798,913	778,353	25	27
March	814,789	752,087	32	28
April	859,972	702,176	33	27
May	840,919	852,441	29	25
June	741,395	746,752	28	25
July	759,418	817,485	27	25
August	906,275	826,043	27	26
September	865,060	796,241	28	25
October	790,943	832,990	27	25
November	771,593	850,655	27	25
December	957,949	868,846	25	25

## 6. Directors

The following Directors held office during the year under review:

Mrs. Ann-Mary Malata – Ononuju	Board Chairperson	
Dr. John Chileshe	Vice Chairperson	
Ms. Precious Lisulo	Member	
Dr. Tamala Kambikambi	Member	Up to May 2022
Prof. Boniface Namangala	Member	From June 2022
Mr. Fredrick Mwila	Member	Up to September 2022
Mrs. Vivian Chiwila Chikoti	Member	From October 2022
Mr. William Nyundu	Member	
Mr. Anthony Bwembya	Member	From October 2022
Mr. Bonna Kashinga	Member	Up to September 2022
Prof. Kasonda Bowa	Member	
Mrs. Vivien C. Ndhlovu	Member	Up to September 2022
Mr. Zechariah Luhanga	Member	From October 2022
Mr. William Ngoma	Member	
Mrs. Jacqueline C.M Chikwama	Member	
Mrs. Mirriam M. A. Chiyaba	Ex-Officio	

## 7. Directors' fees and Remuneration

The Authority paid fees to the members of the board of Directors in the period under review amounting to ZMW 643,220 (2021 – ZMW 864,736).

## 8. Other material facts, circumstances and events

The Directors are not aware of any material fact, circumstance or event which occurred between the accounting date and the date of this report which might influence an assessment of the Authority's financial position or the results of its operations.

## 9. Annual financial statements

The annual financial statements set out on pages 45 to 65 have been approved by the Directors.

## 10. Auditors

The auditor, Mark Daniels, have indicated their willingness to continue in office.

By order of the Board

Chief Executive Officer

 2023

Sections 22 and 23 of the Zambia Qualifications Authority Act No. 13 of 2011 require 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, 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 of the Authority are of the opinion that:

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 2022; and

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 2022;

There are reasonable grounds to believe that the Authority will be able to meet all its financial obligations and pay its debts as and when they fall due.

The Directors 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 misstatement and loss.

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

The financial statements which appear on pages 45 to 65 were approved by the Directors.

Mrs. Ann-Mary Malata - Ononuju

**Board Chairperson**



2023

Mrs. Mercy Ngoma

**Chief Executive Officer / Ex-Officio**



2023

## **REPORT OF THE INDEPENDENT AUDITORS**

### **TO THE MEMBERS OF ZAMBIA QUALIFICATIONS AUTHORITY**

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#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the accompanying financial statements of the Zambia Qualifications Authority, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements give a true and fair view of the financial position of the Zambia Qualifications Authority as at 31 December 2022 and of its financial performance and cash flows for the year ended and have been properly prepared in accordance with the International Financial Reporting Standards

##### **Emphasis of matter**

The accompanying financial statements have been prepared assuming that the Authority will continue as a going concern. As discussed in note 1 to the financial statements, the Authority has recorded net liabilities and has an accumulated deficit that raises substantial doubt about the Authority's ability to continue as a going concern beyond a reasonable time. Financial statements do not include any adjustments that might result from the outcome of this uncertainty. However, our opinion regarding the truthfulness and fairness of the financial statements has not been modified based on this emphasis of matter.

##### **Basis for Opinion**

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

##### **Other information**

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



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ZAMBIA QUALIFICATIONS AUTHORITY (CONTINUED)**

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

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 Institution internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ZAMBIA QUALIFICATIONS AUTHORITY (CONTINUED)

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the institutions audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on other Legal and Regulatory Requirements

In our opinion, the financial statements of the Zambia Qualifications Authority as of 31 December 2022, 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. The accounting and other records have been kept in accordance with the requirements of Zambia Qualifications Authority Act No. 13 of 2011.

#### Chartered Accountants

WKKK Kasongo

2023

**Winston Kasongo AUD/F003127**

**Partner signing on behalf of the firm**

## Statement of comprehensive income

	Notes	2022	2021
		ZMW	ZMW
Income	6	19,141,383	18,475,874
Technical expenses	14	(11,584,101)	(12,537,386)
Surplus before administrative & operating expenses		7,557,282	5,938,488
Other income	6	413,486	575,389
Operating expenses	15	(9,357,292)	(8,464,036)
Deficit for the year		(1,386,524)	(1,950,159)
Other comprehensive gains/(losses)		-	-
Total comprehensive deficit attributable to the Authority		<u>(1,386,523)</u>	<u>(1,950,159)</u>

The notes on pages 49 to 64 form an integral part of these financial statements.

## Statement of financial position

		31 December	
	Notes	2022	2021
		ZMW	ZMW
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	8	1,436,872	1,973,630
Intangible assets	9	151,772	188,039
		1,588,644	2,161,669
<b>Current assets</b>			
Inventories	10	262,693	126,962
Trade and other receivables	11	107,633	258,169
Cash and cash equivalents	12	935,699	873,122
		1,306,026	1,258,253
Total assets		2,894,670	3,419,922
Accumulated Deficit			
Accumulated deficit	16	(10,994,798)	(9,615,235)
<b>Current liabilities</b>			
Trade and other payables	13	13,889,468	13,035,157
<b>Total funds and liabilities</b>		<b>2,894,670</b>	<b>3,419,922</b>

The Directors acknowledge their responsibilities for complying with the requirements of the Zambia Qualifications Authority Act No. 13 of 2011 with respect to accounting records and the preparation of financial statements.



2023

Chief Executive Officer /

Ex-Officio



2023

Board Chairperson

The notes on pages 49 to 64 form an integral part of these financial statements

## Statement of changes in funds

	Accumulated deficit	Total
	ZMW	ZMW
<b>At 1st January 2021</b>	(7,469,485)	(7,469,485)
Prior year adjustment	(195,591)	(195,591)
Restated balance	(7,665,076)	(7,665,076)
Deficit for the year	(1,950,159)	(1,950,159)
Total comprehensive deficit	(1,950,159)	(1,950,159)
<b>At 31st December 2021</b>	<b>(9,615,235)</b>	<b>(9,615,235)</b>
<b>At 1st January 2022</b>	(9,615,235)	(9,615,235)
Prior year adjustment	6,960	6,960
Restated balance	(9,608,275)	(9,608,275)
Deficit for the year	(1,386,523)	(1,386,524)
Total comprehensive deficit		
<b>At 31st December 2022</b>	<b>(10,994,798)</b>	<b>(10,994,799)</b>

The notes on pages 49 to 64 form an integral part of these financial statements

## Statement of cash flows

	Notes	2022	2021
		ZMW	ZMW
<b>Cash flow from operating activities</b>			
Deficit for the year		(1,386,524)	(1,950,159)
Profit on disposal of non-current assets		(52,360)	(1,083)
Prior year adjustment		6,960	(195,591)
Depreciation		750,817	650,768
Amortisation of software		191,267	188,038
Decrease in trade and other receivables		150,536	269,989
Increase in inventories		(135,731)	(20,227)
Increase in trade and other payables		<u>854,312</u>	<u>2,452,670</u>
Net cash generated from operating activities		<u>379,277</u>	<u>1,394,405</u>
<b>Investing activities</b>			
Proceeds on disposal of fixed assets		52,360	29,250
Purchase of property, plant and equipment	8	(214,055)	(2,076,225)
Purchase of software	9	<u>(155,000)</u>	-
Net cash used in investing activities		<u>(316,695)</u>	<u>(2,046,975)</u>
<b>Net changes in cash and cash equivalents</b>		62,582	<u>(652,570)</u>
Opening cash and cash equivalents		873,121	1,525,695
Increase/(Decrease) in cash and cash equivalents		62,582	(652,570)
Closing cash and cash equivalents		<u><b>935,699</b></u>	<u><b>873,122</b></u>
<b>Represented by:</b>			
Cash and cash equivalents	12	<u><b>935,699</b></u>	<u><b>873,122</b></u>

The notes on pages 49 to 64 form an integral part of these financial statements

## Notes

### 1. Basis of Accounting and preparation of financial statements

The financial statements of ZAQA have been prepared on the going concern basis and in accordance with the International Financial Reporting Standards (IFRS) and comply with the requirements of the ZAQA Act. They have been prepared under the historical cost convention adjusted by the revaluation of tangible fixed assets. The financial statements are presented in Zambian Kwacha except where otherwise indicated.

At the reporting date, the Authority recorded net current liabilities of ZMW 12.5 million and has an accumulated loss of ZMW 11 million..

The financial Statements have been prepared on a going concern basis, which assumes that the Authority will continue in operational existence for the foreseeable future

The validity of this assumption depends on continued support from the Government

If the Authority were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the statement of financial position values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify property, plant and equipment as current asset

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

(a) New standards and amendments-applicable 1 January 2022

Title	Key requirements	Effective date
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	<p>The amendment to IAS 16 Property, Plant and Equipment (PP&amp;E) prohibits an entity from deducting from the cost of an item of PP&amp;E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.</p> <p>Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities.</p>	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	<p>Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.</p>	1 January 2022

## Notes (Continued)

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

(a) New standards and amendments-applicable 1 January 2022

Title	Key requirements	Effective date
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: <ul style="list-style-type: none"> <li>IFRS 9 <i>Financial Instruments</i> – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.</li> <li>IFRS 16 <i>Leases</i> – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.</li> <li>IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent’s books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.</li> <li>IAS 41 <i>Agriculture</i> – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.</li> </ul>	1 January 2022
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their <i>significant</i> accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.  To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023



## Notes (Continued)

### 4. Summary of significant accounting policies

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

#### a). Income

Income recognition for the Authority represents the following:

##### i). Government Grants

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

##### ii). Income from rendering services.

This comprises the value of services rendered in respect of accreditation, registration, validation and evaluation of qualifications. This income is recognised in the income statement upon satisfactory execution of the performance obligations.

##### iii). Other income

This comprised income from securities and other sundry sources. This income is recognised in the income statement when it is actually received and the amount can be ascertained and measured with reasonable certainty.

#### (b) Functional currency and translation of foreign currencies

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

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

## Notes (Continued)

### 3 Summary of significant accounting policies (continued)

#### (e) 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.

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

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

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

Furniture and fittings .....	25%
Motor vehicles .....	25%
Office equipment .....	25%
Computer equipment .....	33%
Software .....	25%

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

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

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

## Notes (Continued)

### 3 Summary of significant accounting policies (continued)

#### (f) Receivables

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

#### (g) Payables

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

#### (h) Borrowings

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

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

##### (i) Cash and cash equivalents

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

##### (j) Employee benefits

###### (i) Retirement benefit obligations

The Authority operates a defined contribution retirement benefit scheme for all employees. The Authority and all its employees contribute to the National Pension Scheme Fund, which is a defined contribution scheme. A defined contribution plan is a retirement benefit plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all benefits relating to employee service in the current and prior periods.

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

## Notes (Continued)

### (j) Employee benefits

#### (i) Other entitlements

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

### (k) Taxation

The Zambia Qualifications Authority is a statutory body exempt from income tax.

## 4 Critical accounting estimates and judgements

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

#### (i) Critical accounting estimates and assumptions

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

#### Receivables

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

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

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

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

## Notes (Continued)

### 5 Financial risk management objectives and policies

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

(i) Fair Value Risk

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

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

(ii) Credit Risk

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

Investments are allowed only in liquid securities and management does not expect to fail to meet its obligations.

(iii) Operational Risk

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

(iv) Strategic Risk

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

(v) Interest Risk

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

## Notes (Continued)

### 6. Revenue

Revenue represents receipts from grants, interest earnings and miscellaneous income.

		2022	2021
		ZMW	ZMW
<b>(i) Income</b>			
Government Grants		16,162,183	14,054,073
Accreditation fees		600,000	1,228,000
Validation and evaluation fees		2,379,200	1,749,350
Other revenue grants		-	1,444,451
		<b><u>19,141,383</u></b>	<b><u>18,475,874</u></b>
<b>(ii) Other Income</b>			
Interest on fixed deposits		11,126	11,126
Sundry income		350,000	563,180
Profit on disposal of assets		52,360	1,083
		<u>413,486</u>	<u>575,389</u>
Total		<b><u>19,554,869</u></b>	<b><u>19,051,263</u></b>

### 7. Deficit for the year

The deficit for the year is stated after charging

Total remuneration	13,379,110	13,167,950
Depreciation and amortisation	942,083	838,806
Directors remuneration	<u>643,220</u>	<u>864,736</u>

## Notes (continued)

### 8. Property, plant and equipment

	2022			2021		
	Cost/ valuation	Accumulated Depreciation	Carrying value	Cost/ valuation	Accumulated Depreciation	Carrying value
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Owned assets						
Motor vehicles	2,766,253	(1,375,942)	1,035,311	2,766,253	(1,210,584)	1,555,669
Computer equipment	872,542	(611,627)	260,915	758,520	(438,334)	320,194
Fixtures and fittings	458,650	(374,721)	83,929	397,892	(337,956)	59,936
Office equipment	205,746	(149,031)	56,715	166,470	(128,631)	37,839
	<b><u>4,303,190</u></b>	<b><u>(2,866,321)</u></b>	<b><u>1,436,871</u></b>	<b><u>4,089,135</u></b>	<b><u>(2,115,505)</u></b>	<b><u>1,973,630</u></b>

The carrying amounts of property, plant and equipment can be reconciled as follows

	Carrying value at Beginning of year	Additions	Depreciation	Disposals	Depreciation Eliminated on Disposals	Carrying value at end of year
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Period to December 2022						
Motor vehicles	1,555,668		(520,358)	(355,000)	355,000	1,035,310
Computer equipment	320,192	114,022	(173,293)			260,921
Fixtures and fittings	59,934	60,757	(36,765)			83,926
Office equipment	37,838	39,276	(20,400)			56,714
	<b><u>1,973,633</u></b>	<b><u>214,055</u></b>	<b><u>(750,816)</u></b>	<b><u>(355,000)</u></b>	<b><u>355,000</u></b>	<b><u>1,436,871</u></b>

**Notes (continued)**

**8. Property, plant and equipment (continued)**

	Cost/ valuation at Beginning of year	Additions	Depreciation	Disposals	Depreciation Eliminated on Disposals	Carrying value at end of year
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
<b>Period to December 2021</b>						
Owned assets						
Motor vehicles	242,396	1,761,551	(448,278)	-	-	1,555,669
Computer equipment	204,743	284,520	(140,910)	(48,002)	19,835	320,186
Fixtures and fittings	95,416	7,310	(42,790)	-		59,936
Office equipment	33,785	22,844	(18,790)	-		37,839
	576,340	2,076,225	(650,768)	(48,002)	19,835	1,973,630



## Notes (continued)

### 9. Intangible asset

	2022 ZMW	2022 ZMW
At start of year	188,039	376,077
Additions during the year	155,000	-
Amortisation	(191,267)	(188,038)
At end of year	<b><u>151,772</u></b>	<b><u>188,039</u></b>

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

### 10. Inventories

Consumables	<b><u>262,693</u></b>	<b><u>126,962</u></b>
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### 11. Trade and other receivables

Prepaid rent	18,603	89,388
Medical arrangements	33,861	12,263
Professional insurance	40,589	75,232
Staff receivables	11,663	79,388
Fuel prepayment	2,917	1,898
	<b><u>107,633</u></b>	<b><u>258,169</u></b>

### 12. Cash and cash equivalents

Investrust Manda Hill Branch	610,797	233,839
Stanbic Bank	317,247	123,550
Stanbic Bank Visa – Tamanga Account	6,505	3,356
Petty cash	1,150	1,251
Fixed deposit – Gratuity investment	-	511,126
	<b><u>935,699</u></b>	<b><u>873,122</u></b>

### 13. Trade and other payables

Prepayments by customers	3,279,659	1,910,317
Statutory payables	4,350,502	3,089,692
Other payables	487,683	854,320
Staff payables	5,771,624	7,180,828
	<b><u>13,889,468</u></b>	<b><u>13,035,157</u></b>

## Notes (continued)

### 14. Technical expenses

	2022	2021
	ZMW	ZMW
Direct staff salaries and related expenses	8,358,028	8,633,320
Qualification network meetings/conferences	296,934	385,303
Accreditation of Qualifications	568,400	743,593
Public and stakeholder sensitisation	154,086	609,044
Validation and evaluation expenses	742,022	343,833
Development of National Occupational Standards	142,004	919,457
Motor Vehicles expenses	335,175	222,016
Information Communications Technology	494,644	374,595
Developing Working Documents	312,781	188,625
Advertising and Promotion	97,597	90,587
Collaborative Meetings	78,713	23,563
Audit of Appropriate Authorities	<u>3,720</u>	<u>3,450</u>
	<b><u>11,584,101</u></b>	<b><u>12,537,386</u></b>

### 15. Operating Expenses

Rent paid	920,213	849,427
General expenses	14,288	12,873
Cleaning expenses	103,424	110,669
Office refreshments	63,596	48,290
Newspapers and periodicals	20,840	33,896
Bank charges	136,303	144,778
Electricity and water	27,646	-
Insurance – furniture and equipment	14,298	13,605
Building repairs	20,728	79,319
Staff salaries and related expenses	5,021,083	4,534,630
Board of Directors related expenses	643,220	864,736
Depreciation	942,087	838,806
Printing and stationery expenses	456,486	321,650
Professional fees	84,216	165,923
Procurement expenses	43,850	103,264
Communication expenses	28,435	46,443
Recruitment expenses	199,834	6,367
Strategic plan and AWPB developments	482,701	289,360
Internal audit services	<u>134,044</u>	<u>-</u>
	<b><u>9,357,292</u></b>	<b><u>8,464,036</u></b>

Notes (continued)

## 16. Accumulated Deficit

	2022	2021
	ZMW	ZMW
Opening balance	(9,615,235)	(7,469,485)
Prior year adjustment	6,960	(195,591)
Deficit for the year	(1,386,524)	(1,950,159)
Balance at end of year	(10,994,799)	(9,615,235)

## 17. Risk Management

### (a) Capital risk management

The Authority's objectives when managing the accumulated fund are to safeguard the Authority's ability to continue as a going concern in order to fulfil its statutory mandate to provide services to the public and other stakeholders as well as to maintain an optimal accumulated fund structure.

### (b) Classification of Financial Assets and Liabilities

The Authority's financial assets comprise mainly cash and cash equivalents.

Management reviews the accumulated fund of the Authority on an annual basis by reviewing the risks associated with each source through assessing the gearing ratio of the Authority.

The Authority's gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings as shown in the statement of financial position less cash and cash equivalents. The capital is equivalent to the accumulated fund as shown in the statement of financial position plus net debt.

The gearing ratio is as follows:

	2022	2021
	ZMW	ZMW
Total borrowings		-
Less: cash and cash equivalents	(935,699)	(873,122)
Net debt	(935,699)	(873,122)
Total accumulated deficit	(10,994,799)	(9,615,235)
Total capital	(11,930,498)	(10,488,357)
Gearing ratio	<b>0%</b>	<b>0%</b>

The bank accounts are held with reputable banks.

## Notes (continued)

The Authority's maximum exposure to credit risk is analysed below

### (c) Categories of financial instruments

	2022	2021
	ZMW	ZMW
Financial assets:		
-Trade receivables	107,633	258,169
-Bank and cash	<u>935,699</u>	<u>873,122</u>
	<b><u>1,043,332</u></b>	<b><u>1,131,291</u></b>
Financial liabilities:		
-Trade payables	<u>13,889,468</u>	<u>13,035,157</u>
	<b><u>13,889,468</u></b>	<b><u>13,035,157</u></b>

### (d). Financial Risk Management

The ultimate responsibility for managing financial risk rests with Management. The key financial risk for the Authority is liquidity. The Authority manages the risk by managing and monitoring relationships with suppliers and continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

#### (i) Liquidity risk

The Authority's risk to liquidity is a result of the funds available to cover future commitments. The Authority manages liquidity risk through an ongoing review of future commitments and credit facilities.

	On Demand	Due within 3 months	Due within 3-12 months	Over 5 years
At 31 December 2022	ZMW	ZMW	ZMW	ZMW
Trade and other receivables	107,633			
Cash and cash equivalents	935,699			
Trade and other payables	(13,889,468)			
	(12,846,136)			
At 31 December 2021	ZMW	ZMW	ZMW	ZMW
Trade and other receivables	258,169	-	-	-
Cash and cash equivalents	873,122	-	-	-
Trade and other payables	(13,035,157)	-	-	-
	(11,903,866)	-	-	-

## Notes (continued)

### 17. Risk Management (continued)

#### (ii) Currency Risk

The Authority keeps most of its financial assets in the local currency therefore minimising its exposure to fluctuations in the foreign currency exchange rates.

The rates used to translate foreign currency during the period in Kwacha were as follows

		2022	2021
		USD	USD
		\$1	\$1
Mid rate		16.94	16.64
Spot rate		16.98	16.67

### 18. Related party transactions

In the context of the Authority, related party transactions include any transactions made by any of the following:

- (a) The Government of the Republic of Zambia
- (b) The Board of Directors and Key management of the Authority

The following transactions were carried out with related parties:

	2022	2021
	ZMW	ZMW
(i) Grant income from GRZ		
Funding	<u>16,162,183</u>	<u>14,054,073</u>

#### iii) Directors' remuneration

Fees for services as a director	643,220	864,736
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## **Notes (Continued)**

### **18. Related party transactions (continued)**

There were no related party transactions in the period (2021: Nil)

### **19. Capital commitments**

There were no capital commitments as at the period-end (2021: Nil)

### **20. Contingent liabilities**

There were no contingent liabilities as at the period-end (2021: Nil)

### **21. Events subsequent to balance sheet date**

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

### **22. Comparative figures**

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

## Detailed income statement

	2022	2021
	ZMW	ZMW
Income	19,554,869	19,051,263
Technical Expenses		
Direct staff salaries and related expenses	8,358,028	8,633,320
Qualification network meetings/conferences	742,022	385,303
Accreditation of Qualifications	568,400	743,593
Public and stakeholder sensitisation	494,644	609,044
Validation and evaluation expenses	335,400	343,833
Development of National Occupational Standards	312,781	919,457
Motor Vehicles expenses	296,934	222,016
Information Communications Technology	154,086	374,595
Developing Working Documents	142,004	188,625
Advertising and Promotion	97,597	90,587
Collaborative Meetings	78,713	23,563
Audit of Appropriate Authorities	<u>3,720</u>	<u>3,450</u>
	<b><u>11,584,101</u></b>	<b><u>12,537,386</u></b>
Administrative and other operating expenses		
Rent paid	920,213	849,427
General expenses	14,288	12,873
Cleaning expenses	103,424	110,669
Office refreshments	63,596	48,290
Newspapers and periodicals	20,840	33,896
Bank charges	136,303	144,778
Electricity and water	27,646	-
Insurance – furniture and equipment	14,298	13,605
Internal audit services	134,044	-
Building repairs	20,728	79,319
Staff salaries and related expenses	5,021,083	4,534,630
Board of Directors related expenses	643,220	864,736
Depreciation	942,087	838,806
Printing and stationery expenses	456,486	321,650
Professional fees	84,216	165,923
Procurement expenses	43,850	103,264
Communication expenses	28,435	46,443
Recruitment expenses	199,834	6,367
Strategic plan and AWPB developments	482,701	289,360
Loss on disposal of fixed assets		-
	<u>9,357,292</u>	<u>8,464,036</u>
Deficit for the year	<b><u>(1,386,524)</u></b>	<b><u>(1,950,159)</u></b>











