

Botswana Qualifications Authority

# ANNUAL REPORT 20/2021

Building a seamless Education and Training System





**Vision**

A globally competitive, talented, educated, knowledgeable and skilled learner.



**Mission**

To regulate the education and training sector to promote inclusive and accessible quality programmes, lifelong learning, and protection of learner interests.

## Values

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- **Commitment:** efficiency, speed, compliance, coherence, knowledge, outcome, integrity, transparency, honesty, ethical conduct, equity, trustworthiness.
- **Customer Focus:** engagement, customer friendliness, responsiveness
- **Innovation:** impact, progressiveness, open mindedness
- **Accountability:** responsibility, performance, decision making, teamwork, focused vision, conduct
- **Inclusivity:** equitable access to relevant high-quality education regardless of gender, race, ethnicity, age, health, disabilities, stage of development, capacity to learn and socioeconomic status.
- **Collaboration and teamwork:** partnership, learning, networking.

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# 1.0 PROFILE

Botswana Qualifications Authority (BQA) is a parastatal under the Ministry of Tertiary Education, Research, Science and Technology established by the Botswana Qualifications Authority Act, No 24 of 2013, to:

- a). provide for and maintain the National Credit and Qualifications Framework (NCQF).
- b). coordinate education, training, and skills development quality assurance system from early childhood to tertiary level (lifelong learning).

The governance structure of BQA provides for a 13-member Board of Directors chaired by an independent person. There are seven (7) committees that deal with specific functions established to facilitate the work of the Board. These are:

- Qualifications Framework Maintenance Committee,
- Quality Assurance Committee,
- Finance Committee,
- Risk and Audit Committee,
- Human Resource Committee,
- Tender Committee and,
- Appeals Committee.

To ensure efficiency in the execution of its mandate, BQA organisational structure has two (2) directorates and five (5) departments. These are: Directorate of the Chief Executive Officer, Directorate of the Deputy Chief Executive Officer, Department of National Credit and Qualifications Framework Services, Department of Quality Assurance, Department of Business Development, Department of Finance and Administration and the Department of Human Resource.

The Act stipulates that the Authority funds shall consist of:

- monies as may be appropriated by the National Assembly for the purpose of the Authority.
- grants and donations as the Authority may receive.
- fees charged for services rendered by the Authority; and
- any income that the Authority may receive from investments.

The Authority's financial year begins on 1st April of each year and ends on 31st March of the following year.



# CORPORATE GOVERNANCE STATEMENT

The Governance structures of BQA are established by the BQA Act No.24 of 2013, and the Board and Committee Charters. BQA follows the guidance and principles of King III Code of Corporate Governance as guidance notes for best practice in the execution of the Board's oversight role. The Board is responsible for oversight of the organisation and general high level governance advice to the organisation. It is made up of thirteen (13) members appointed by the Minister in accordance with the BQA Act. The Chief Executive Officer is an ex-officio member of the Board. Members are eligible for two (2) terms of a period not exceeding three (3) years.

## 2.1 Board and Committees Composition and Changes

The Board has delegated some of its duties and responsibilities to Committees, to ensure proper running of the Authority. There are seven (7) Board Committees, namely:

1. Qualifications Framework Maintenance Committee (QFMC)
2. Quality Assurance Committee (QAC)
3. Finance Committee (FC)
4. Risk and Audit Committee (RAC)
5. Human Resource Committee (HRC)
6. Tender Committee (TC)
7. Appeals Committee (AP)

The following Board and Committee members' terms ended on the 31st October 2020:

1. Mrs Mmatlala Dube – Board Vice Chairperson and Chairperson Risk and Audit.
2. Mr Mogapi Ernest Madisa – Chairperson Qualifications Framework Maintenance Committee.
3. Mr Pelotshweu Marshlow Motlogelwa – Chairperson Finance Committee.
4. Mr Tebogo Silas Rapitsenyane – Chairperson Quality Assurance Committee and Vice Chairperson Human Resource Committee.
5. Mrs Yolinda Baletloa – Chairperson Human Resource Committee.
6. Mr Charles I. Coyne II – Board Member.
7. Mr Oupa Masesane – Vice Chairperson Qualifications Framework Maintenance Committee.

With the ending of terms of the above members, the Board resolved to appoint Mr. Barulaganye Mogotsi as an Interim Chairperson of the Human Resource Committee whilst awaiting new appointments by the Minister. The other positions were filled by the Vice Chairpersons in accordance with the Board Succession Plan.

## 2.2 Board Activities for the Period 2020/21

Some key activities by the Board during the period under review included approval of:

1. Delegation of Authority Policy.
2. Registration and accreditation of Education and Training Providers (ETPs).
3. Accreditation of NCQF-based learning programmes for TVET and Higher Education (HE).
4. Registration and accreditation of local awarding bodies.
5. Recognition of external awarding bodies.
6. Registration of qualifications on the National Credit and Qualifications Framework.
7. Meeting schedules for the Board and its Committees for the year 2021/22.
8. ICT Acceptable Use and Information Security Policies.
9. Revised 2020/21 Budget.
10. External Audit Plan and fees.
11. Extension of transition timelines for learning programmes and General Education Providers.

## 2.3 Board and Board Committees Remuneration

The Board attendance and remunerations were as shown in tables 1 to 7.

### 2.3.1 Board

During the year under review, the Board attended 18 meetings, of which four (4) were ordinary and 14 were special meetings to discuss urgent matters. The Board and Board Committees members who attended meetings were remunerated according to the government policy on remunerations, Circular Number 1 of 27 on the Payment of Members of the Various Statutory and Non-Statutory Boards, Councils and Committees. The meetings were conducted in compliance with the BQA Board Charter.



Table 1: Board Remuneration

|                           | 30/04/20 | 15/05/20 | 18/06/20 | 30/06/20 | 23/07/20 | 04/08/20 | 09/09/2020 | 11/09/20 | 28/09/20 | 22/10/20 | 04/11/20 | 23/11/20 | 07/12/20 | 10/12/20 | 21/12/20 | 12/01/21 | 11/02/21 | 09/03/21 | TOTAL    |           |
|---------------------------|----------|----------|----------|----------|----------|----------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| <b>Mr C. Siwawa</b>       | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 1,800.00   | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 2,250.00 | 40,050.00 |
| <b>Mrs M. Dube</b>        | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 2,250.00   | 1,800.00 | 1,800.00 | 1,800.00 | -        | -        | -        | -        | -        | -        | -        | -        | -        | 18,450.00 |
| <b>Mr T. Rapitsenyane</b> | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | -        | -        | -        | -        | -        | -        | -        | -        | -        | 18,000.00 |
| <b>Mr J.D Slater</b>      | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 30,600.00 |
| <b>Mr B. Mogotsi</b>      | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 32,400.00 |
| <b>Mr J. Matome</b>       | -        | 1,800.00 | -        | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 28,800.00 |
| <b>Mr M. Madisa</b>       | 1,800.00 | -        | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | -        | -        | -        | -        | -        | -        | -        | -        | -        | 16,200.00 |
| <b>Mr P. Motegelwa</b>    | 1,800.00 | 1,800.00 | 1,800.00 | -        | 1,800.00 | 1,800.00 | -          | -        | 1,800.00 | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | 10,800.00 |
| <b>Mr B. Moepi</b>        | 1,800.00 | 1,800.00 | 1,800.00 | -        | -        | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | -        | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 27,000.00 |
| <b>Mrs Y. Baletloa</b>    | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | -        | -        | -        | -        | -        | -        | -        | -        | -        | 18,000.00 |
| <b>Mr C. Coyne</b>        | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00   | 1,800.00 | 1,800.00 | 1,800.00 | -        | -        | -        | -        | -        | -        | -        | -        | -        | 18,000.00 |
| <b>Mr O. Masesane</b>     | -        | -        | -        | -        | -        | -        | -          | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -         |
| <b>Mr B. Mphetlhe</b>     | 1,800.00 | 1,800.00 | -        | 1,800.00 | 1,800.00 | 1,800.00 | -          | -        | -        | -        | -        | -        | -        | -        | -        | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 14,400.00 |

### 2.3.2 Qualifications Framework Maintenance Committee

The Qualifications Framework Maintenance Committee (QFMC) is made up of six (6) members. During the year under review, QFMC had six (6) meetings, of which four (4) were ordinary and two (2) were special meetings to discuss urgent matters. The meetings were conducted in compliance with the BQA Qualifications Framework Maintenance Committee Charter.

Table 2: Qualifications Framework Maintenance Committee Renumeration

| Date of Meeting | Mr Mogapi Madisa | Mr David Slater  | Ms Masego Marobela | Mr Cassius Mmopelwa | Dr Oluka Silas   | Mr Boatametse Dimeku |
|-----------------|------------------|------------------|--------------------|---------------------|------------------|----------------------|
| 04-Jun-20       | 2,250.00         | 1,800.00         | 1,800.00           | 1,800.00            | 1,800.00         | 1,800.00             |
| 20-Aug-20       | 2,250.00         | 1,800.00         | 1,800.00           | 1,800.00            | 1,800.00         | 1,800.00             |
| 30-Nov-20       | -                | 2,250.00         | 1,800.00           | 1,800.00            | 1,800.00         | 1,800.00             |
| 08-Dec-20       | -                | 2,250.00         | 1,800.00           | 1,800.00            | 1,800.00         | 1,800.00             |
| 17-Dec-20       | -                | 2,250.00         | 1,800.00           | 1,800.00            | 1,800.00         | 1,800.00             |
| 04-Feb-20       | -                | 2,250.00         | 1,800.00           | 1,800.00            | 1,800.00         | 1,800.00             |
| <b>TOTAL</b>    | <b>4,500.00</b>  | <b>12,600.00</b> | <b>10,800.00</b>   | <b>10,800.00</b>    | <b>10,800.00</b> | <b>10,800.00</b>     |

### 2.3.3 Quality Assurance Committee

The Quality Assurance Committee (QAC) is made up of ten (10) members. During the year under review, the QAC had four (4) ordinary meetings. The meetings were conducted in compliance with the BQA Quality Assurance Committee Charter.

Table 3: Quality Assurance Committee Renumeration

| Date of Meeting | Mr Tebogo Rapitsenyane | Mr Busie J. Moepi | Mr Charles Coyne | Mr Pelotshweu Motlogelwa | Dr Olefile Molwane | Mr Tebogo Motswetla | Mr Joseph Moseki | Ms Dorcas Phiri | Prof Frank Youngman | Mr Modiri Mogopa |
|-----------------|------------------------|-------------------|------------------|--------------------------|--------------------|---------------------|------------------|-----------------|---------------------|------------------|
| 08-Jun-20       | 2,250.00               | 1,800.00          | 1,800.00         | 1,800.00                 | 1,800.00           | 1,800.00            | 1,800.00         | -               | -                   | 1,800.00         |
| 25-Aug-20       | 2,250.00               | 1,800.00          | 1,800.00         | -                        | 1,800.00           | -                   | 1,800.00         | -               | 1,800.00            | -                |
| 01-Dec-20       | -                      | 2,250.00          | -                | -                        | 1,800.00           | 1,800.00            | 1,800.00         | -               | -                   | 1,800.00         |
| 23-Feb-21       | -                      | 2,250.00          | -                | -                        | 1,800.00           | 1,800.00            | 1,800.00         | -               | -                   | -                |
| <b>TOTAL</b>    | <b>4,500.00</b>        | <b>8,100.00</b>   | <b>3,600.00</b>  | <b>1,800.00</b>          | <b>7,200.00</b>    | <b>5,400.00</b>     | <b>7,200.00</b>  | <b>-</b>        | <b>1,800.00</b>     | <b>3,600.00</b>  |

### 2.3.4 Risk and Audit Committee

The Risk and Audit Committee (RAC) is made up of five (5) members. During the year under review, the RAC had six (6) meetings of which four (4) were ordinary and two (2) were special meetings to discuss urgent matters. The meetings were conducted in compliance with the BQA Risk and Audit Committee Charter.

Table 4: Risk and Audit Committee Renumeration

| Date of Meeting | Ms Mmatlala Dube | Mr Boniface Mphetlhe | Mr Tlhobelo Moshodi | Ms Segametsi Mafa | Mr Motabaseyo Lesokola |
|-----------------|------------------|----------------------|---------------------|-------------------|------------------------|
| 04-Jun-20       | 2,250.00         | 1,800.00             | 1,800.00            | 1,800.00          | 1,800.00               |
| 09-Jun-20       | 2,250.00         | 1,800.00             | 1,800.00            | 1,800.00          | 1,800.00               |
| 29-Jul-20       | 2,250.00         | 1,800.00             | 1,800.00            | 1,800.00          | 1,800.00               |
| 12-Aug-20       | 2,250.00         | 1,800.00             | 1,800.00            | 1,800.00          | 1,800.00               |
| 23-Nov-20       | -                | 2,250.00             | 1,800.00            | 1,800.00          | 1,800.00               |
| 05-Feb-21       | -                | 2,250.00             | 1,800.00            | 1,800.00          | 1,800.00               |
| <b>TOTAL</b>    | <b>9,000.00</b>  | <b>11,700.00</b>     | <b>10,800.00</b>    | <b>10,800.00</b>  | <b>10,800.00</b>       |

### 2.3.5 Tender Committee

The Tender Committee is made up of six (6) members. During the year under review, the Tender Committee had seven (7) meetings of which four (4) were ordinary and three (3) were special meetings to discuss urgent matters. The meetings were conducted in compliance with the BQA Tender Committee Charter.

Table 5: Tender Committee Renumeration

| Date of Meeting | Mr Busie J. Moepi | Mr Mogapi Madisa | Mr Joseph Matome | Mr Polokelo Mollentze | Mr Manfred Kgari | Ms Priscilla Bodi |
|-----------------|-------------------|------------------|------------------|-----------------------|------------------|-------------------|
| 05-Jun-20       | 2,250.00          | 1,800.00         | 1,800.00         | 1,800.00              | 1,800.00         | -                 |
| 12-Aug-20       | 2,250.00          | 1,800.00         | 1,800.00         | 1,800.00              | 1,800.00         | -                 |
| 04-Sep-20       | 2,250.00          | 1,800.00         | 1,800.00         | 1,800.00              | 1,800.00         | 1,800.00          |
| 02-Oct-20       | 2,250.00          | 1,800.00         | 1,800.00         | 1,800.00              | -                | 1,800.00          |
| 12-Oct-20       | 2,250.00          | 1,800.00         | 1,800.00         | 1,800.00              | 1,800.00         | 1,800.00          |
| 12-Feb-21       | 2,250.00          | 1,800.00         | 1,800.00         | 1,800.00              | 1,800.00         | 1,800.00          |
| 31-Mar-21       | 2,250.00          |                  | 1,800.00         | 1,800.00              | 1,800.00         | 1,800.00          |
| <b>TOTAL</b>    | <b>15,750.00</b>  | <b>10,800.00</b> | <b>12,600.00</b> | <b>12,600.00</b>      | <b>10,800.00</b> | <b>9,000.00</b>   |

### 2.3.6 Finance Committee

The Finance Committee is made up of five (5) members. During the year under review, the Finance Committee had eleven (11) meetings of which four (4) were ordinary and seven (7) were special meetings to discuss urgent matters. The meetings were conducted in compliance with the BQA Finance Committee Charter.

Table 6: Finance Committee Renumeration

| Date of Meeting | Mr Pelotshweu Motlogelwa | Ms Mmatlala Dube | Mr Barulaganye Mogotsi | Mr Sanga Namoshe | Mr Emang Chibua  | Ms Ontlametse Sebonego |
|-----------------|--------------------------|------------------|------------------------|------------------|------------------|------------------------|
| 23-April-20     | 2,250.00                 | -                | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00               |
| 23-April-20     | 2,250.00                 | -                | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00               |
| 12-June-20      | 2,250.00                 | -                | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00               |
| 15-July-20      | 2,250.00                 | -                | 1,800.00               | 1,800.00         | 1,800.00         | -                      |
| 19-Aug-20       | 2,250.00                 | -                | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00               |
| 24-Sep-20       | 2,250.00                 | 2,250.00         | 1,800.00               | -                | -                | -                      |
| 25-Sep-20       | 2,250.00                 | -                | -                      | 1,800.00         | 1,800.00         | 1,800.00               |
| 26-Nov-20       | -                        | -                | 2,250.00               | 1,800.00         | 1,800.00         | -                      |
| 16-Dec-20       | -                        | -                | -                      | 1,800.00         | 1,800.00         | -                      |
| 05-Feb-21       | -                        | -                | 2,250.00               | 1,800.00         | 1,800.00         | 1,800.00               |
| 24-Mar-21       | -                        | -                | 2,250.00               | 1,800.00         | 1,800.00         | -                      |
| <b>TOTAL</b>    | <b>15,750.00</b>         | <b>2,250.00</b>  | <b>17,550.00</b>       | <b>18,000.00</b> | <b>18,000.00</b> | <b>10,800.00</b>       |

Note: Ms Mmatlala Dube was invited to the Finance Committee to provide guidance on the Audited Financial Statements for 2019/20. There were two(2) sittings on the 23rd April 2020.

### 2.3.7 Human Resource Committee

The Human Resource Committee(HRC) is made up of six (6) members. During the year under review, the HRC had eighteen (18) meetings of which four (4) were ordinary and fourteen (14) were special meetings to discuss urgent matters. The meetings were conducted in compliance with the BQA Human Resources Committee Charter.

Table 7: Human Resource Committee Remuneration

| Date of Meeting | Ms Yolinda Baletloa | Mr Mogapi Madisa | Mr Barulaganye Mogotsi | Mr Tebogo Rapitsenyane | Dr Mary Mabotheo | Ms Poppy Sechele | Mr Courtney Sethebe |
|-----------------|---------------------|------------------|------------------------|------------------------|------------------|------------------|---------------------|
| 23-Apr-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 27-Apr-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 12-May-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 13-May-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 10-Jun-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 19-Jun-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 16-Jul-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 28-Jul-20       | 2,250.00            | 2,250.00         | -                      | -                      | 1,800.00         | 1,800.00         | 1,800.00            |
| 30-Jul-20       | 2,250.00            | -                | -                      | -                      | -                | 1,800.00         | 1,800.00            |
| 07-Sep-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | 1,800.00            |
| 15-Oct-20       | 2,250.00            | -                | -                      | 1,800.00               | 1,800.00         | 1,800.00         | -                   |
| 16-Dec-20       | -                   | -                | 2,250.00               | -                      | 1,800.00         | 1,800.00         | 1,800.00            |
| 27-Jan-21       | -                   | -                | 2,250.00               | -                      | 1,800.00         | -                | 1,800.00            |
| 19-Feb-21       | -                   | -                | 2,250.00               | -                      | 1,800.00         | 1,800.00         | -                   |
| 23-Feb-21       | -                   | -                | 2,250.00               | -                      | 1,800.00         | 1,800.00         | 1,800.00            |
| 09-Mar-21       | -                   | -                | 2,250.00               | -                      | 1,800.00         | 1,800.00         | 1,800.00            |
| 22- Mar-21      | -                   | -                | 2,250.00               | -                      | 1,800.00         | 1,800.00         | 1,800.00            |
| 31-Mar-21       | -                   | -                | 2,250.00               | -                      | -                | -                | -                   |
| <b>TOTAL</b>    | <b>24,750.00</b>    | <b>2,250.00</b>  | <b>15,750.00</b>       | <b>16,200.00</b>       | <b>28,800.00</b> | <b>28,800.00</b> | <b>27,000.00</b>    |

Note: Mr Madisa was invited to attend HRC meeting to provide guidance on NCQF recruitment matter.

### 2.3.8 Appeals Committee

The Appeals Committee did not sit in the 2020/21 financial year.

### 2.4 Board and Committees Plans

This section highlights the Board and its Committees' short, medium, and long-term plans.

1. Backlog Project – The Board made a commitment to support the processing and completion of backlog of applications. These are applications received from 2017 to December 2019.
2. Development of BQA Strategy 2021-26. The Board approved the 2021-26 Strategy before end of March 2021 and committed Management to begin implementation immediately.

3. The following strategic projects were prioritised for implementation:

- Review of the BQA Act
- Development of the Board Assessment Tool
- Human Resource Management Projects e.g., Skills Audit
- Integration of Information Communications Technology (ICT) Systems

### 2.5 Director Disclosures and Declarations

The Declaration of Assets and Liabilities Act of 2019 makes provision for the declaration of interests, income, assets, and liabilities of certain categories of persons, and monitors the interests, income, assets, and liabilities of those persons.

It prevents and detects corruption, money laundering and the acquisition of property from proceeds of any other offence, and for matters connected therewith or incidental thereto.

The Ethics and Integrity Directive (EID) was established by Section 4 of the Declaration of Assets and Liabilities Act No.12 of 2019, as amended by Act No,1 of 2020. The Directive's major functions are Monitoring and Legal Enforcement, and Assets Declaration Management. Sections 3 and 6 of the Declaration of Assets and Liabilities Act give a guide on who should make a declaration under

the Act. For purposes of Botswana Qualifications Authority, members of the Board of Directors were required to declare on or before the 31st of December 2020. Members duly complied.

## 2.6 Corporate Governance Compliance Checklist

The principles of King III were taken into consideration in the development of the Authority's Corporate Governance Framework and the following principles were prioritised over others in consideration of the specific mandate of the Authority.

Table 8: Corporate Governance Compliance Checklist

|  |   |
|--|---|
| <b>Ethical leadership and corporate citizenship</b>  |   |
| Effective leadership based on ethical foundation.  | ✓ |
| Authority is seen as a responsible corporate citizen.  | ✓ |
| Effective management of organisation's ethics.   | ✓ |
| Assurance statement on ethics in integrated report(s).   | ✓ |
| <b>Board and Directors</b>   |   |
| The Board is the focal point for, and the custodian of, corporate governance.                        | ✓ |
| Board appreciates that strategy, risk, performance, and sustainability are inseparable.              | ✓ |
| Directors act in the best interest of the organisation.  | ✓ |
| The Chairman of the Board is an independent non-executive director.                                  | ✓ |
| Chief Executive Officer has been appointed.  | ✓ |
| Framework for the delegation of authority has been established.                                      | ✓ |
| The Board comprises a balance of power, with most non executive independent directors.               | ✓ |
| Directors are appointed through a formal process.  | ✓ |
| Formal induction and ongoing training of Directors is conducted.                                     | ✓ |
| The Board is assisted by a competent, suitably qualified, and experienced Authority Secretary.       | ✓ |
| Regular performance evaluation of the Board, its committees, and individual Directors.               | ✓ |
| A governance framework has been agreed between the Board and its Committees.                         | ✓ |
| Appointment of well structured committees and oversight of key functions.                            | ✓ |
| Directors and Executives are remunerated fairly and responsibly.                                     | ✓ |
| Remuneration of Directors and certain Senior Executives is disclosed.                                | ✓ |
| The Authority's Remuneration Policy is approved by its shareholder.                                  | ◇ |
| <b>Risk and Audit Committee</b>  |   |
| Effective and independent.   | ✓ |
| Members are suitably skilled and experienced independent directors.                                  | ✓ |
| Chaired by an independent Director.  | ✓ |
| Oversees integrated reporting.   | ✓ |
| Ensures a combined assurance model is applied to optimise assurance activities.                      | ✓ |
| Satisfies itself of the expertise, resources, and experience of the organisation's finance function. | ✓ |
| Oversees internal audit.   | ✓ |
| Recommends appointment of external auditors.   | ✓ |

|  |   |
|--|---|
| Integral to the risk management process.   | ✓ |
| Oversees the external audit process.   | ✓ |
| Reports to the Board and Shareholder on how it has discharged its duties.  | ✓ |
| <b>The governance of risk</b>  |   |
| The Board is responsible for the governance of risk and setting levels of risk tolerance.  | ✓ |
| The Risk and Audit Committee assists the Board in carrying out its risk responsibilities.  | ✓ |
| The Board delegates the risk management plan to the committee for management (including design, implementation, and monitoring). | ✓ |
| The Board ensures that risk assessment and monitoring is performed on a continual basis.   | ✓ |
| Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.                    | ✓ |
| Ensures Management considers and implements appropriate risk responses.  | ✓ |
| Ensures continual risk monitoring by Management.   | ✓ |
| The Board receives assurance on the effectiveness of the risk management process.  | ✓ |
| Ensure sufficient, timeously risk disclosure to stakeholders.  | ✓ |
| <b>The governance of information technology (IT)</b>   |   |
| The Board is responsible for IT governance.  | ✓ |
| IT is aligned with the performance and sustainability objectives of the organisation.  | ✓ |
| Management is responsible for the implementation of an IT Governance Framework.  | ✓ |
| The Board monitors and evaluates significant IT investments and expenditure.   | ✓ |
| IT is an integral part of the organisation's risk management.  | ✓ |
| IT assets are managed effectively.   | ✓ |
| The Risk and Audit Committee assists the Board in carrying out its IT responsibilities.  | ✓ |
| <b>Compliance with laws, codes, rules, and standards</b>   |   |
| The Board ensures that the organisation complies with applicable laws.   | ✓ |
| The Board and Directors have a working understanding of the relevance and implications of non compliance.                        | ✓ |
| Risk Compliance forms an integral part of the organisation's risk management process.  | ✓ |
| The Board has delegated Management the implementation of an effective compliance framework and processes.                        | ✓ |
| <b>Internal audit</b>  |   |
| Ensures effective risk based internal audit.   | ✓ |
| The internal audit function is independent of Management.  | ✓ |
| Internal Audit provides a written assessment of the effectiveness of the organisation's system of internal control and risk.     | ✓ |
| Risk and Audit Committee oversees Internal Audit.  | ✓ |
| Internal Audit is strategically positioned to achieve its objectives.  | ✓ |
| <b>Remuneration and Nominations Committee</b>  |   |
| The Chairman of the Committee is an independent non executive director.  | ✓ |
| <b>Governing stakeholder relationships</b>   |   |
| Appreciate that stakeholders' perceptions affect Authority's reputation.   | ✓ |
| Management is delegated to proactively deal with stakeholder relationships.  | ✓ |
| Strive for an appropriate balance between the various stakeholder groupings.   | ✓ |
| Ensure equitable treatment of shareholder.   | ✓ |
| Transparent and effective communication with stakeholders is essential.  | ✓ |
| Ensure disputes are resolved effectively and timeously.  | ✓ |
| <b>Integrated reporting and disclosure</b>   |   |
| The Board ensures the integrity of the Authority's integrated report.  | ✓ |
| Sustainability reporting and disclosure is integrated with the organisation's financial reporting.                               | ✓ |
| Sustainability reporting and disclosure is independently assured.  | ✓ |

Key: ✓ Compliant    ◇ Under review

## 3.0 BOARD



Mr Charles Siwawa  
Chairperson



Mrs Mmatlala Dube  
Vice Chairperson



Mr Barulaganye Mogotsi  
Member



Mr Mogapi Madisa  
Member



Mr Charles Coyne II  
Member



Mr Joseph Matome  
Member



Mr Tebogo Rapitsinyane  
Member



Mr John David Slater  
Member



Mr Busie Moepi  
Member



Mrs Yolinda Baletloa  
Member



Mr Pelotshweu Motlogelwa  
Member



Mr Oupa Masesane  
Member



Mr Boniface Mphetlhe  
Member

**Dr Botsalano Mosimakoko**  
Chief Executive Officer



## 4.0 EXECUTIVE MANAGEMENT

**Ms Selebo. A Jobe**  
Deputy Chief Executive Officer



**Mr Bakani Thothe**  
Director, Quality Assurance



**Ms Ludo Sefako**  
Director, Business Development



**Mr Mooketsi Maphane**  
Director, Human Resource



**Ms Magdaline Motswagole**  
Director, Finance & Administration



**Mr Ofentse Disang**  
Ag Director, NCQF



**Ms Boitumelo Mogaleemang**  
Manager, Internal Audit



**Ms Selwana Pilatwe-Koppenhaver**  
Manager, Communications & Public Relations



**Mr Kennedy Pheko**  
Board Secretary



**Mr Gordon Mbongwe**  
Ag Manager, Strategy



## 5.0 CHAIRPERSON'S STATEMENT



It is my pleasure to present a synopsis of Botswana Qualifications Authority (BQA) landscape prepared for the 2020/21 financial year. The period under discussion had both achievements and challenges driven primarily by the COVID-19 pandemic which swept across the country in unprecedented waves. Notwithstanding these challenges, I am happy to report that Botswana Qualifications Authority achieved a significant portion of its projects that were centred on its current five-year strategy. These were aimed at ensuring that BQA becomes a more customer-oriented organisation with deliverables that match its mandate. The Authority revised its five-year (2016-2021) Corporate Strategy, which involved comprehensive and robust stakeholder engagement. This exercise informed the in-house development of the new BQA Corporate Strategy.

This strategy places the learner at the centre of relevant, equitable and accessible quality education and training. The strategy is anchored on robust quality assurance systems, monitoring, together with auditing of registered and accredited Education and Training Providers. This is expected to enhance delivery of learning programmes, engagement with strategic partners, business sustainability and improvement of talent and culture within the education fraternity. It will also promote research capabilities, innovation and use of technology to drive the Authority's mandate.

The 2020/21 financial year was characterised by significant changes adopted to strengthen service delivery and promote a culture of service excellence within the Authority. All key core business processes were revised to minimise bottlenecks and improve adherence to turn-around times.

Staff and stakeholder capacity building to uptake the services were equally critical to the process.


I am equally happy to report that there has been notable improvement in the rate of processing and concluding applications. This will facilitate transition to the National Credit and Qualifications Framework (NCQF) based system progressively faster than would otherwise have been. Education and Training Providers (ETPs) are encouraged to use NCQF registered qualifications to develop credit-based learning programmes for accreditation to ensure availability of learning programmes for enrolment post 2nd December 2021.

I would like to heartily appreciate and thank the following BQA Board members whose term of office ended on 31st October 2020: Mrs Mmatlala Dube (Deputy Chairperson), Mr Mogapi Ernest Madisa, Mr Pelotshweu Marshlow Motlogelwa, Mr Tebogo Silas Rapitsenyane, Mrs Yolinda Baletloa, Mr Charles I. Coyne II and Mr Oupa Masesane. The process to find replacement Board members has been initiated and is progressing well.

The BQA Board has introduced robust governance systems and controls to support management to effectively deliver its mandate of implementing and advancing the reforms in the national Education and Training System. I am proud to report that BQA, with its revised processes, will uphold its status as a model regulatory body. We thank all the stakeholders for their immense contribution.

During the year under discussion, COVID-19 pandemic swept across the country without sparing the employees of BQA. These employees were affected in one way or the other, but their commitment to the organisation remained unwavering and bold focussing on the delivery of the Authority's mandate.

On behalf of the Board of Directors, I appreciate the leadership and guidance provided by the Minister of Tertiary Education, Research Science and Technology. The engagements between BQA and Ministry officials were candid and cordial. I would also like to thank our stakeholders for their understanding and cooperation during the tough COVID-19 pandemic period. Lastly, I want to further acknowledge the Chief Executive Officer and her team for steering the organisation during this challenging period.

  
.....  
Charles Siwawa

## 6.0

# CHIEF EXECUTIVE OFFICER'S STATEMENT



The 2020/21 financial year was punctuated with transformative reflections. It was a year of reflecting on our service delivery in terms of the Botswana Qualifications Authority mandate and responding vigorously to ensure that the previous strategy was reviewed. The new strategy is transformative, and is based on the key principles of Equity, Vision, Outcome, Knowledge, Engagement (EVOKE). Throughout the year, BQA strived to trace vertical and horizontal alignment to new strategy.

The outlined critical initiatives were halted by the COVID-19 pandemic. The pandemic affected the education and training landscape, service delivery by BQA, model of registration and accreditation, and teaching and learning across institutions. There was an urgent need to change from conventional methods of teaching and learning to technological platforms. There were changes in modes of instruction from conventional pedagogical approaches to technology and e-Based modes, which were expected to be aligned to the issued BQA guidelines.

### Operational Environment

It gives me pleasure to report that the Authority was able to implement and translate the strategic vision through optimisation of available resources to strengthen operations. The goal was to improve customer and stakeholder satisfaction levels. The Authority has provided technical support to customers to uptake the National

Credit and Qualifications Framework (NCQF) system. To date, a total of fifty (50) Higher Education and Training Providers have been registered and accredited.

The pandemic restrictions led to a review of quality assurance processes to improve efficiency and effectiveness of registration and accreditation of Education and Training Providers (ETPs). Another notable milestone was the increased number of registered qualifications on the NCQF after re-engineering of the registration of qualifications process. Furthermore, an Interim Model has been developed for quality assurance of the General Education Sub-Framework. In its continued effort to provide a demand quality driven system, BQA collaborates with professional bodies and engages them through Memoranda of Understanding (MoU) with each entity.

I am pleased to highlight that BQA developed policies to guide the implementation of the NCQF, and these include the Recognition of Prior Learning Policy, Credit Accumulation and Transfer Policy, Referencing Policy, Evaluation of Qualifications Revocation Policy, and Standards for Recognition of Local and External Qualifications.

A crucial component to the success of implementing the mandate is the ability to engage and consult with stakeholders on various ways to improve service delivery. This prompted the Authority to undertake two (2) surveys:

- BQA Customer Satisfaction Survey
- Tracer Study of Unregistered Graduates in Regulated Sectors.

The findings played a key role in the development of the Strategy Plan for 2021-2026, which aims to promote service excellence and improved organisational performance.

During the review period, the Authority vigorously processed applications across all services that accumulated since 2017. The Backlog Project, which is planned to be completed in the next financial year, has already made a significant impact in tackling some of the challenges faced by customers.

I am immensely proud of our resolute and dedicated staff, who showed a lot of resilience in the face of the deadly COVID-19 pandemic. It was through their dedication and hard work that the Authority was able to rise to the challenge and continue to offer service to its valued customers. There were a lot of invaluable lessons learnt during the pandemic which will be carried over to the next financial year.

## Corporate Strategy 2021- 2026

The review of the BQA strategy was characterised by consultations with stakeholders. I am proud of the role played by stakeholders who showed enthusiasm and produced great ideas during the consultation process.

The new strategy (2021-2026), as pointed out earlier, is based on the framework of Equity, Vision, Outcome, Knowledge, Engagement (EVOKE). The thrust of the Strategy is on the following principles:

- Robust quality assurance systems, a new point monitoring and auditing to improve delivery of learning programmes.
- Engagement with strategic partners to deliver the BQA mandate.
- Business sustainability
- Improvement of talent and culture,
- Development of research capabilities
- Innovation and technology utilisation to drive the mandate.

The EVOKE Strategy is going to be supported by the following strategic initiatives:

- The Backlog Eradication Project,
- Core Business Processes Review,
- Stakeholder Engagement
- Systemic Improvement of the ICT,
- Development and Implementation of Standards
- Development and implementation of Audit and Monitoring Plan
- Change Management and Transformation

In conclusion, I wish to take this opportunity to thank the Board for their guidance and leadership, BQA management and staff for their endless sacrifices and commitment to serving the country during these challenging times.



.....  
Dr Botsalano Mosimakoko

# 7.0 ACHIEVEMENTS

## 7.1 STRATEGIC ANNUAL PLAN PERFORMANCE

### 7.1.1 Performance of the Strategic Objectives

During 2020/21, implementation of the BQA 2016-2021 Strategy was in pursuit of 11 strategic objectives and 25 measures as detailed in the Annual Corporate Plan. Of these, 1 (9.1%) objective was achieved, 4 (36.3%) were partially achieved, and the other 4 (36.3%) were not achieved. Two (2) objectives, translating to 18.2%, were on track and due for measurement in the next financial year. The organisational performance - which is average of the achieved, partially achieved and not achieved - was 60%.

The BQA 2016-2021 Strategy ended on 31st March 2021 and was reviewed between November 2020 and March 2021. A new one has been developed for 2021-26. The new strategy focuses on the delivery of the BQA core mandate as stipulated in the BQA Act of 2013, which is to provide for and maintain the National Credit and Qualifications Framework (NCQF), and to coordinate the education and training and skills development quality assurance system from early childhood to tertiary level. The review process entailed consultations with key stakeholders to inform them on noted developments. Informed by a comprehensive situational analysis and feedback from both internal and external stakeholders, the 2021-26 Strategy is anchored on the following principles:

- Robust quality assurance systems, monitoring and auditing to improve delivery of learning programmes.
- Engagement with strategic partners to deliver the BQA mandate.
- Business sustainability.
- Improvement of talent and culture, development of research capabilities and fostering of innovation and technology utilisation to further drive the mandate.

### 7.1.2 Change Management and Transformation

The major internal transformational initiative during 2020/21 was the review of the corporate strategy (2016-2021), which resulted in EVOKE (Equity, Vision, Outcome, Knowledge, Engagement) Strategy (2021-26) and the review of core processes to bring efficiencies in service delivery.

The strategy review exercise was done through a comprehensive staff engagement exercise in the form of addresses by the CEO, workshops, and staff survey. The

aims of the staff survey were to get the views of the staff regarding the current reality of the Authority and solicit their ideas in terms of moving forward in the next five years. These initiatives allowed the Authority to engage in honest conversations with its staff and helped identify challenges within the current organisational culture. Furthermore, the engagements allowed the Authority to define its ideal culture as an organisation and design specific activities and practices that would get it to the desired state. As part of the change management activities, the strategy was communicated throughout the Authority to create awareness, provide knowledge of the main tenets of the envisaged changes, and ensure ownership.

Another transformational initiative in 2020/21 involved the reengineering of core business processes. Key business processes for core services and associated templates, guidelines and manuals were reviewed to remove bottlenecks to processing customer applications, tackle the accumulated backlog and promote adherence to turnaround times. This initiative has had a huge impact in reducing backlog and improving service delivery. In 2021/22, focus will be on further reengineering key processes to streamline efficiencies throughout the Authority.

## 7.2 CAPACITY BUILDING: TECHNICAL SUPPORT

Implementation of the National Credit and Qualifications Framework (NCQF) is part of ongoing reforms of the education and training system geared towards achieving globally competitive human capital. Building capacity by imparting knowledge, information sharing and development of skills of those entrusted with the implementation of these reforms is pivotal to the success of these plans. BQA has been intentional in building capacity through both virtual and physical workshops meant to:

- Assist stakeholders to understand the mandate and role of BQA in the ecosystem.
- Provide technical support to implement the NCQF concepts of outcomes-based education and training.
- Educate stakeholders on interpretation and implementation of quality assurance standards.

The unforeseen spread of COVID-19 during the year 2020/21 necessitated urgent change to ways of doing business.

Capacity-building activities were impacted more so that there were protocols to be adhered to in terms of conducting workshops to ensure the health of all involved was protected. The national lockdown during the first quarter of 2020/21, and the zonal movement restrictions impacted negatively on the technical capacity-building activities.

Despite these challenges, the Authority continued to provide support to Higher Education (HE) and Technical and Vocational Education and Training (TVET) Providers on implementation of the NCQF and quality assurance. This ensured that customers understood the requirements for accreditation and registration across the different portfolios. The support has been predominantly on comprehending the National Credit and Qualifications Framework, Quality Assurance Standards and use of the BQA instruments to provide the required information. Capacity-building continues to improve the quality of customers' submissions, and adherence to turnaround times by decreasing reverts due to lack of understanding of the requirements.

The workshops conducted in 2020/21 were fewer compared to the previous year. Nine (9) workshops were conducted in Gaborone and one (1) was conducted in Francistown.

Another development that the Authority has embarked upon is addition of online access to request for capacity-building through the submission portal found on the BQA website ([www.bqa.org.bw](http://www.bqa.org.bw)). BQA plans to hold most of the capacity-building activities using online platforms. This is one of the Authority's initiatives to ensure business continuity using digital media in a period where physical interaction is limited due to the COVID-19 pandemic.

### 7.3 QUALITY ASSURANCE OF EDUCATION AND TRAINING

The section highlights registration and accreditation of Education and Training Providers (ETPs), awarding bodies, assessors and moderators, accreditation of NCQF based learning programmes in the Higher Education (HE) and Technical and Vocational Education and Training (TVET) sub-frameworks and recognition of Non-Credit Bearing Short Courses (NCBSCs).

#### 7.3.1 Quality Assurance of the Technical and Vocational Education and Training, and Higher Education.

Table 9: Registration and accreditation performance.

| Service Area  | 2020/21 Performance       | Cumulative Totals          |
|---|---------------------------|----------------------------|
| Registration and Accreditation of Higher Education (HE) Providers   | 4 (All public)            | 51 (20 Public, 31 Private) |
| Registration and accreditation of Conventional TVET Providers (includes brigades, technical colleges and private providers offering learning programmes at certificate level and below. | 16 (10 public, 6 private) | 79 (40 public, 39 private) |
| Registered and accredited / recognised awarding bodies  | 6                         | 21                         |
| Registration and accreditation of Consultancies   | 68                        | 270                        |
| Workplace Education and Training Providers  | 7                         | 19                         |
| Accreditation of NCQF based learning programmes   | 19                        | 34                         |
| Registration and accreditation of assessors   | 99                        | 409                        |
| Registration and accreditation of moderators  | 47                        | 192                        |
| Recognition of Non-credit Bearing Short Courses   | 479                       | 885                        |

Note: The function of recognition of NCBSCs will be transferred to Human Resource Development Council (HRDC) in the coming year.

The advent of lockdown and movement restriction impacted the processing of all applications by the Authority. This necessitated a transition from the “normal ways” of doing things to the “new normal”. This new normal was embraced by the Authority by reviewing its quality assurance processes for efficiency and business continuity. The review included re-engineering of some quality assurance processes; that is, the registration and accreditation of ETPs and accreditation of learning programmes.

The re-engineering of these processes was carried out towards the end of the financial year.

The revised processes recognise the development of learning programmes through established internal and external quality assurance systems and structures that ETPs and Awarding Bodies have instituted. It considers the role of key stakeholders in the development of learning programmes to ensure accountability in the quality envisaged for the intended market.

It is now a requirement that ETPs should get endorsement for their learning programmes from regulatory professional bodies, where they exist, prior to applying to BQA for accreditation of the learning programmes. This has shortened the turnaround time of the accreditation process.

### **7.3.2 Quality Assurance of General Education**

The Authority has completed the development of an Interim Model to quality assure the General Education (GE) Sub-framework. The implementation was planned for the year 2020/21, but could not materialise owing to the extensive consultation that had to be undertaken with the stakeholders. The Authority envisages to process external GE Awarding Bodies after sensitising private schools, whose awarding bodies need to be accredited/recognised, on the model. At the close of reporting period, the Authority was assessing applications for evaluation of qualifications for GE teachers as a pre-requisite for schools’ registration and accreditation.

Quality assurance of the sub-system will be done in two (2) phases: registration and accreditation. Phase 1 is the registration process, which evaluates the existing policies that operationalise the schools. The process is done in accordance with the set Quality Assurance Standards and associated tools. This process would take about three (3) months to complete. The registration process would be a pre-requisite for the phase 2 of quality assurance, which is accreditation of schools.

Accreditation is a process that evaluates the quality of a school as a whole or a specific educational programme to

formally recognise it as having met certain pre-determined minimal criteria or standards. The result of this process is usually the awarding of a status of accreditation or recognition, which is a licence to operate within a given time validity period. It is important to note that there is possibility of rejection in this process. A rejection would be awarded to an applicant who fails to meet the minimum requirements for the set quality standards and criteria.

Schools will be working closely with Botswana Qualifications Authority when developing their self-evaluation/assessment reports for accreditation. This is to provide capacity and support to ensure that schools comply with the set quality assurance standards.

### **7.3.3 Institutional Audits**

The Authority undertakes monitoring and auditing of registered and accredited ETPs to ensure continued compliance with the set Quality Assurance Standards. During this review period, eleven (11) ETPs were audited, and one hundred and twenty-two (122) COVID-19 Response Plans were evaluated.

#### **7.3.3.1 Monitoring and Auditing of ETPs**

The Authority reports the following planned audits and corrective action plans from these audits:

- Two (2) of these were for verification of Corrective Action Plans.
- Two (2) were initial audits for continuous compliance to set quality standards.
- Four (4) were audited for purposes of addressing customer complaints.
- One (1) ETP was audited for purposes of voluntary de-registration, and this led to other two (2) ETPs being audited as learners from the former were transferred to those ETPs.

The findings indicated that some ETPs observed health and safety standards while others did not. Some ETPs indicated levels of non-compliance: inadequate human resource, especially the teaching cadre, and inadequate physical infrastructure for the learning programmes. There were also cases of poor service delivery by lecturers and lack of adherence to assessment standards. Some had outstanding matters with professional bodies to cater for registration of graduates. In the next reporting year, the Authority will further intensify monitoring of ETPs to ensure compliance.

### 7.3.3.2 Education and Training Providers Response to COVID-19

Following the National State of Public Emergency (SoE) and introduction of COVID-19 national protocols, ETPs were requested to submit response plans to the pandemic in accordance with guidelines that were developed by the Authority. The plans were to indicate how the ETPs would minimise the impact of the lockdown and safeguard the interests of enrolled learners. All the one hundred and twenty-two (122) submitted COVID-19 contingency plans were evaluated.

The findings indicated adherence to the guidelines. However, there were gaps identified in certain key areas for some ETPs. These, amongst others, included:

- Failure to establish Quality Management Systems,
- Challenges in assessment and certification,
- Compromised learning programme delivery, specifically the use of unqualified lecturers and lack of teaching and learning resources,
- Failure to maintain health and safety standards,
- Changes in the mode of delivery, and
- Failure to inform the Authority of significant changes.

### 7.3.3.3 Non-Compliances

The Authority detected five (5) non-compliances from media advertisements. The non-compliances included: two (2) unaccredited consultancies which claimed to offer Non-Credit Bearing Short Courses accredited by BQA, one (1) tutorial school advertising learning programmes for enrolment, a registered and accredited ETP advertising unaccredited learning programmes, and one (1) unaccredited institution posing as a registered and accredited ETP advertising unaccredited courses. Three (3) of these non-compliances were resolved and two (2) were still in process at the end of the reporting period.

The Authority will continue to investigate such leads on non-compliance and educate the public as a preventative measure.

## 7.4 DEVELOPMENT AND MAINTAINANCE OF THE NATIONAL CREDIT AND QUALIFICATIONS FRAMEWORK

Botswana Qualifications Authority continues to implement NCQF services which include registration of qualifications on the Framework, registration and accreditation of assessors and moderators, development of policies, criteria, and guidelines, as well as standards for implementation and maintenance of the NCQF. The ten (10) levels framework promotes portability of local qualifications and recognition of internationally quality-assured qualifications. It provides a single integrated national framework for learning from early childhood to tertiary education and training. The NCQF promotes access, mobility and progression within education, training, and career pathways.

Measures introduced in the past year in response to COVID-19 - such as national lockdowns, working from home, and movement restrictions - resulted in low performance output in some NCQF services, particularly those that required input from third parties in the implementation of processes.

### 7.4.1 Registration of Qualifications

The Authority continued to process applications for registration of qualifications on the National Credit and Qualifications Framework (NCQF). The qualifications were registered according to the NCQF Classification System, which includes Fields of Learning, Sub-Fields of Learning, NCQF Levels and qualification types.

The cumulative performance of registered qualifications from 2017 to 31st March 2021 was 153. The target for number of qualifications registered on the NCQF for the year 2020/21 was 160 out of which 74 (48.4%) were registered.

Figure 1 illustrates the quarterly performance for the year 2020/21.

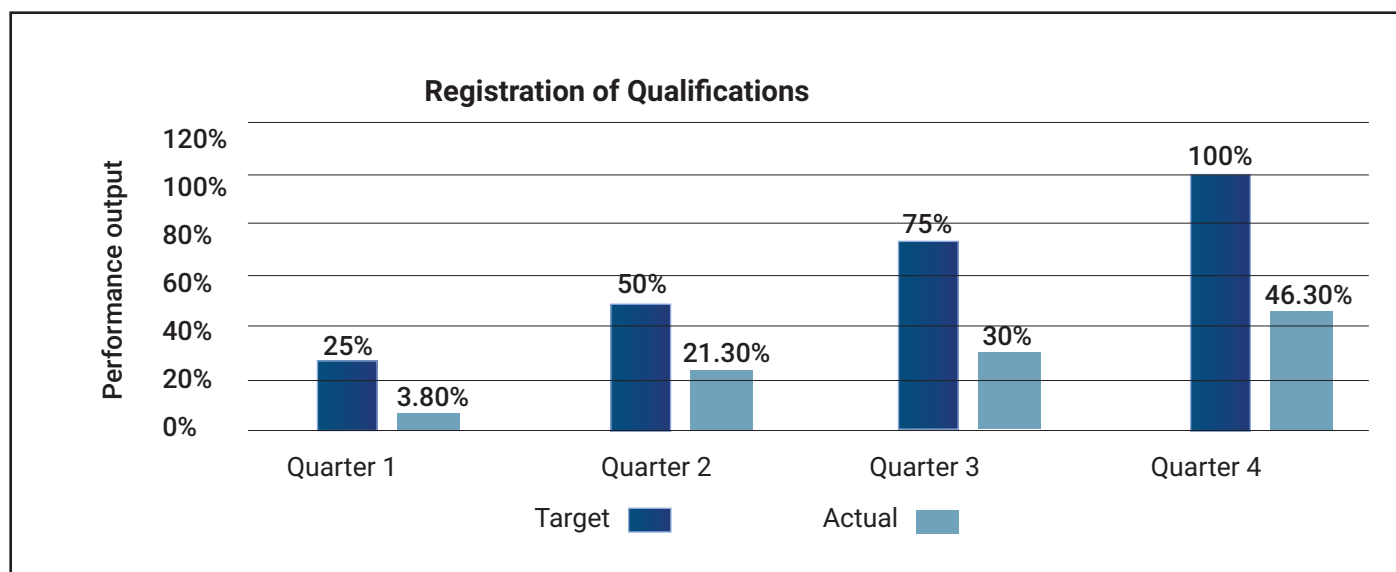


Figure 1: Quarterly performance for the year 2020/21.

The quarterly performance shows that the Authority's performance for the year 2020/21 was below target, with the cumulative performance for the year being 46.3%. The trend report on quarterly performance presented in Figure 2 shows that the output was incremental in all the four quarters.

The Authority implemented mitigating strategies to address the low performance. First, there was redeployment of staff within the Authority to this process, which was initially under-resourced. Second, the Authority re-engineered its registration of qualifications process. The other initiative was to request qualification(s) developers to submit written evidence of the internal and external quality assurance carried out during the development of the qualifications. This was meant to avoid the Authority duplicating the efforts on activities already carried out by qualification developers.

An analysis of the registered qualifications by Sub-frameworks; Higher Education (HE) and Technical and Vocational Education and Training (TVET); and Fields of Learning is presented in Table 10.

Table 10: Registration of Qualifications by Fields of Learning and Sub-frameworks

| Field of Learning                                | HE         | TVET      | Total      | Percentage  |
|--|------------|-----------|------------|-------------|
| 1. Agriculture and Nature Conservation           | 4          | 0         | 4          | 2.6%        |
| 2. Business, Commerce and Management Studies     | 82         | 10        | 92         | 60%         |
| 3. Culture, Arts and Crafts                      | 2          | 5         | 7          | 4.6%        |
| 4. Education and Training                        | 16         | 2         | 18         | 11.8%       |
| 5. Generic Skills                                | 1          | 0         | 1          | 0.7%        |
| 6. Health and Social Services                    | 4          | 4         | 8          | 5.2%        |
| 7. Humanities and Social Sciences                | 2          | 0         | 2          | 1.3%        |
| 8. Information and Communication Technology      | 6          | 3         | 9          | 5.9%        |
| 9. Law and Security                              | 2          | 3         | 5          | 3.3%        |
| 10. Manufacturing, Engineering and Technology    | 0          | 2         | 2          | 1.3%        |
| 14. Services                                     | 4          | 1         | 5          | 3.3%        |
| <b>Total number of registered qualifications</b> | <b>123</b> | <b>30</b> | <b>153</b> | <b>100%</b> |

There are 14 fields of learning. Most of the registered qualifications are in Field 2: Business, Commerce and Management Studies (60%). There are no registered qualifications in:

- Field 11: Mining
- Field 12: Natural, Mathematics and Life Science
- Field 13: Physical Planning and Construction.

A total of 123 registered qualifications are in the Higher Education Sub-framework and 30 are in Technical and Vocational Education and Training. The Authority has come up with strategies to ensure that all fields of learning are represented on the framework.

Table 11: Registration of Qualifications by Qualification Type.

| Qualification Type          | Total      |
|-----------------------------|------------|
| Doctoral Degree             | 1          |
| Master's Degree             | 15         |
| Post-Graduate Diploma       | 7          |
| Post-Graduate Certificate   | 2          |
| Bachelor's Degree (Honours) | 6          |
| Bachelor's Degree           | 66         |
| Diploma                     | 27         |
| Certificate V               | 25         |
| Certificate IV              | 2          |
| Certificate III             | 2          |
| <b>Grand Total</b>          | <b>153</b> |

Table 11 indicates that the Authority has registered more Bachelor's degree qualifications, which is 66 (43%), compared to other qualification types. These are followed by Diplomas 27 (18%), Certificate V 25 (16%), and Master's degree 15 (10%) qualifications.

#### 7.4.2 Challenges related to registration of qualifications

The Authority faced delay from qualification developers in addressing audit findings within stipulated timelines during the processing stage. Such delay results in non-adherence to the set turnaround times. Consequently, this creates a backlog in processing applications. In addressing the challenge, the Authority provided on-site support to developers as a way of expediting the processing.

#### 7.4.3 Development of National Credit and Qualifications Framework Policies

Botswana Qualifications Authority (BQA) has developed several policies that are aimed at guiding implementation of the National Credit and Qualifications Framework (NCQF) as well as improving compliance to corporate governance within registered and accredited Education and Training Providers. These policies are at different stages of development and their statuses as of 31st of March 2021 are presented on Table 12.

Table 12 details statuses and intent of the different policies, which are meant to facilitate implementation of the NCQF.

Table 12: NCQF Policies under Development.

| Policy   | Policy Intent  | Status Update   |
|--|--|---|
| Recognition of Prior Learning Policy (RPL)                     | The Policy will promote access and equity within the education and training system. The specific objective of the policy is to facilitate the identification and validation of learning acquired through non-formal, formal, and informal settings.  | The Recognition of Prior Learning Policy has been submitted to the Ministry of Tertiary Education, Research, Science and Technology on 25th July 2019. The Authority awaits approval by the Ministry. The Ministry conducted inter-Ministerial consultations on this policy in Quarter 4. |
| Credit Accumulation and Transfer Policy (CAT)                  | There is a need to integrate Botswana's education and training system to allow for vertical, diagonal, and horizontal progression. The CAT policy intends to guide the implementation of credit accumulation and transfer practice across the three education and training sub-systems, that is, General Education, Technical and Vocational Education and Training, and Higher Education. | Credit Articulation and Transfer Policy has been submitted to the Ministry of Tertiary Education, Research, Science and Technology on 25th July 2019. The Authority awaits approval by the Ministry. The Ministry is due to conduct inter-Ministerial consultations on this policy.       |
| Referencing Policy   | The policy guides referencing of the NCQF to other national, regional, and international qualifications frameworks to address the demand for national, regional, and international recognition of qualifications.  | Referencing Policy and Policy Implementation Guidelines have been approved by BQA approval structures and are being implemented.  |
| Evaluation of Qualifications Revocation Policy                 | The policy defines the conditions under which an Evaluation of Qualifications report issued to an applicant after evaluation of their qualification(s) by Botswana Qualifications Authority may be revoked.  | The Evaluation of Qualifications Revocation Policy has been approved by BQA approval structures and it is being implemented.  |
| Standards for Recognition of Local and External Qualifications | The document outlines principles and criteria instituting standards by which the Authority evaluates qualifications for recognition. Its purpose is to promote consistency and transparency in the evaluation of both local and external qualifications towards recognition and to make information about evaluation of qualifications publicly available.                                 | Standards for Recognition of Local and External Qualifications have been approved by BQA approval structures and are being implemented.   |

It is intended to have all policies approved in the next financial year.

#### 7.4.4 Re-engineering of processes for registration of qualifications

In its quest for continual improvement in terms of efficiency, effectiveness and service delivery, the Authority continues to regularly review its processes. During this reporting period, amongst the key objectives of the Authority was to review its operational processes for core services.

The Authority undertook the re-engineering of its registration of qualifications process to improve efficiency and ultimately improve on turnaround time. An interim process is currently being followed and has been communicated to qualifications developers who had submitted applications for registration of their respective qualifications.

### 7.5 EVALUATION OF QUALIFICATIONS

The Authority has received 7 000 applications for evaluation of local and external qualifications (verification and recognition) since 2017 when the service started to be offered. In 2019/20, the Authority evaluated 1027 qualifications and in the financial year 2020-21, 1361 qualifications were evaluated. The evaluation of qualifications resulted in recognition and verification of 1246 qualifications. There were no misrepresented or fraudulent qualifications identified on the submissions.

Table 13 shows the information on the qualifications evaluated in the financial year 2020/21.

Table 13: Qualifications Evaluated in the Financial Year 2020/21.

| Country        | Qualifications Verified or Recognised | Qualifications Not Verified or Recognised | Total       |
|----------------|---------------------------------------|---|-------------|
| Botswana       | 619                                   | 9   | 628         |
| Outside Africa | 381                                   | 60  | 441         |
| South Africa   | 144                                   | 31  | 175         |
| Zimbabwe       | 76                                    | 11  | 87          |
| Other Africa   | 13                                    | 1   | 14          |
| Zambia         | 8                                     | 1   | 9           |
| Lesotho        | 2                                     | 0   | 2           |
| Tanzania       | 2                                     | 0   | 2           |
| Eswatini       | 0                                     | 1   | 1           |
| Malawi         | 1                                     | 0   | 1           |
| Mauritius      | 0                                     | 1   | 1           |
| <b>TOTAL</b>   | <b>1246</b>                           | <b>115</b>                                | <b>1361</b> |

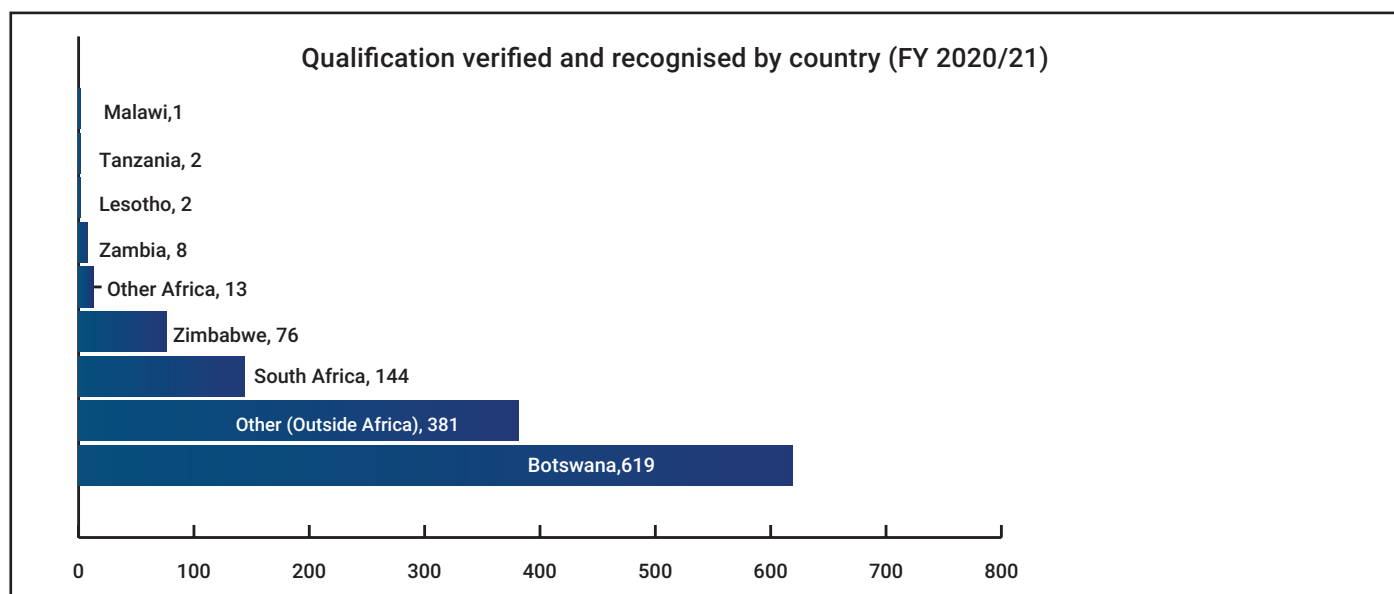


Figure 2: Qualifications verified or recognised by country.

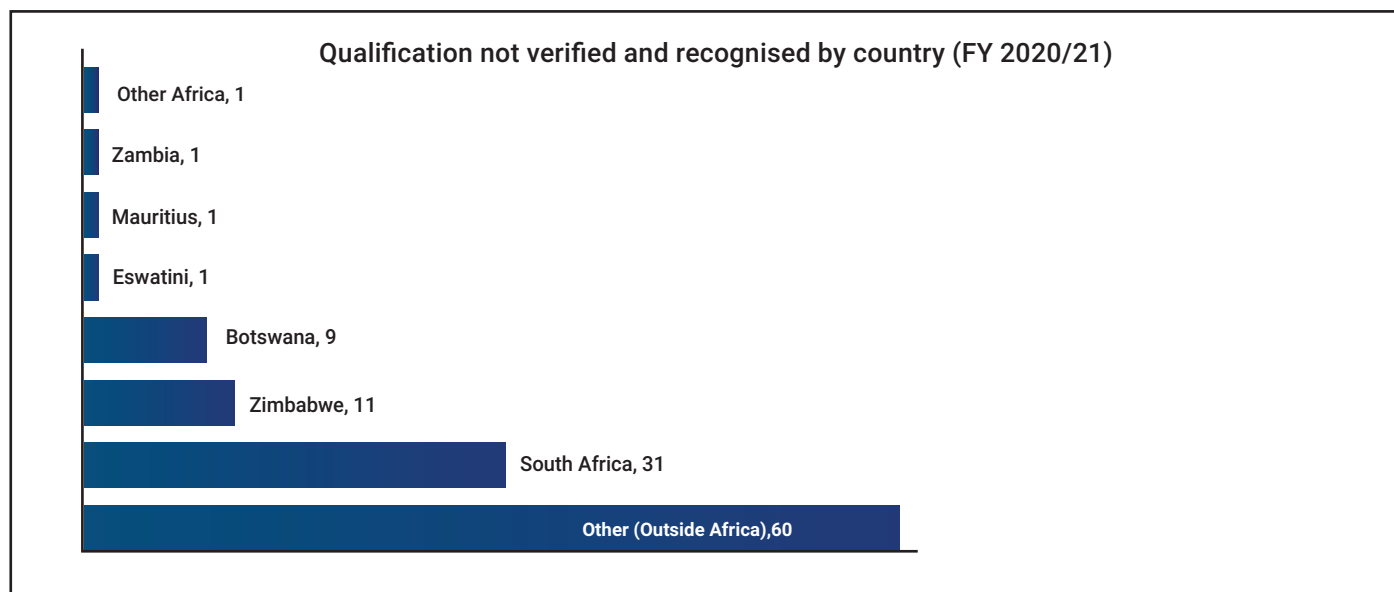


Figure 3: Qualification not verified and recognised by country.

## 7.6 PARTNERSHIPS AND NETWORKS

The mandates of BQA and other regulators and regulatory professional bodies tend to overlap on issues of accreditation of learning programmes. The Authority has engaged and signed Memoranda of Understanding (MoU) with Engineers Registration Board (ERB) and Botswana Health Professions Council (BHPC) and is in consultations with Botswana Accountancy Oversight Authority (BAOA) and Law Society of Botswana (LSB).

The Authority will also engage with Botswana Institute of Chartered Accountants (BICA), Architects Registration Council (ARC), Botswana Veterinary Surgeons Council (BVSC) and Botswana Geoscience Institute (BGI).

## 7.7 RESEARCH ACTIVITIES

BQA undertook two key surveys during the financial year 2020/21. These were the BQA Customer Satisfaction Survey and the Tracer Study on Unregistered Graduates in Regulated Sectors.

### 7.7.1 Customer Satisfaction Survey

The study was conducted to measure the overall customer satisfaction levels for BQA, identify problematic key service areas, and identify targeted initiatives towards the improvements of service delivery. The areas of focus measured were knowledge and understanding of services, services turnaround times, service fees, handling of customer complaints and appeals, overall customer experience as well as proposals for areas of improvement. The study targeted customers across all core services including evaluation of qualifications, registration of experts, registration and accreditation of moderators and assessors, accreditation of learning programmes, and registration and accreditation of Education and Training Providers (ETPs) and awarding bodies.

BQA received 321 responses. The findings identified customers' dissatisfaction with BQA's failure to adhere to turnaround times, responsiveness, communication about customer applications status, and complaints handling, as shown in Figure 4: What BQA doesn't do well.

However, there were positive responses regarding the rest of the of the focus areas (Figure 5: What BQA does well). The customer satisfaction level was determined at 38%.

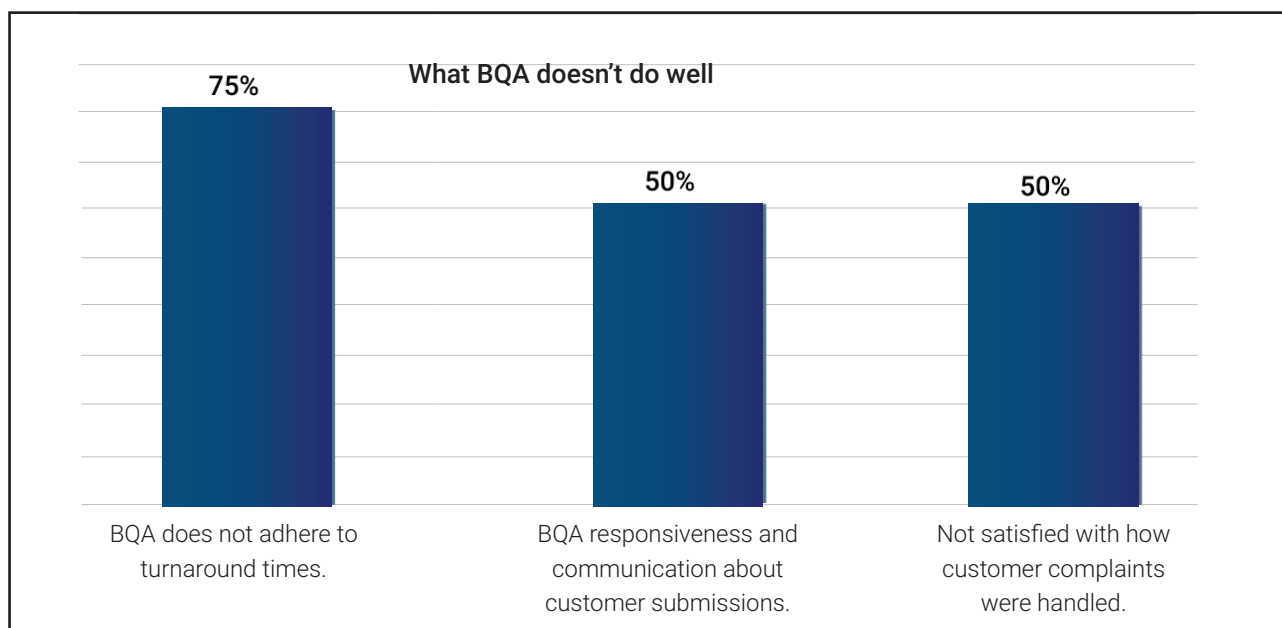


Figure 4: What BQA doesn't do well.

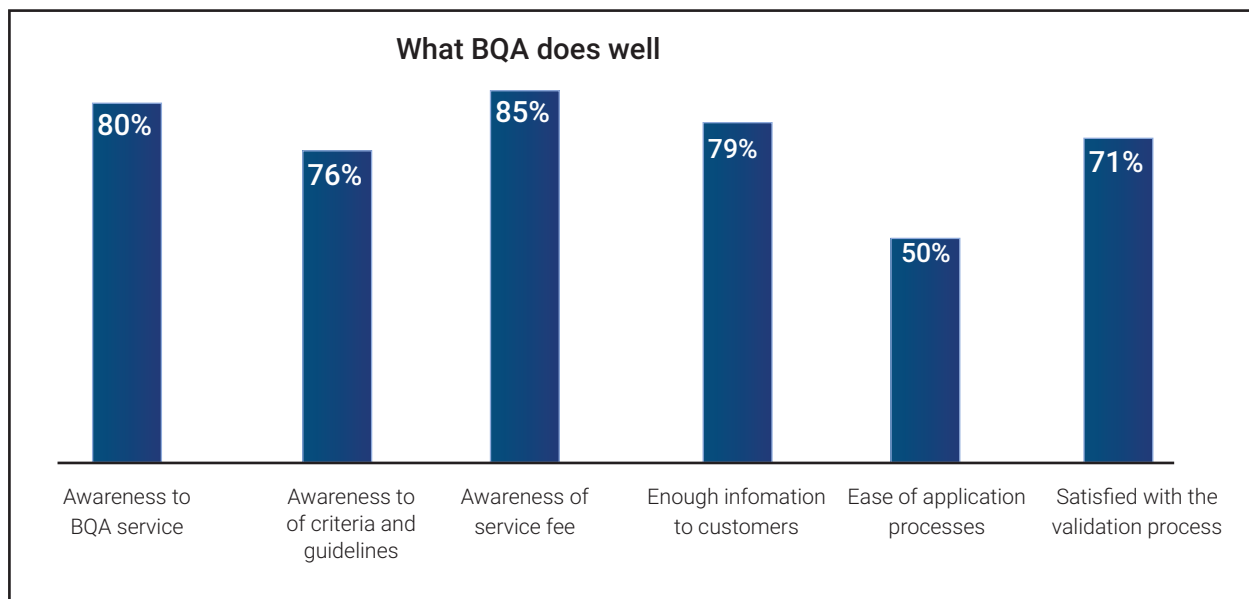


Figure 5: What BQA does well.

The results of the survey will be used to inform the review of the 2021- 26 Corporate Strategy and utilise the information for improvement. The Authority plans to undertake the survey every two (2) years.

### 7.7.2 Tracer Study – Unregistered Graduates in Regulated Sectors

BQA conducted a significant tracer study on behalf of the Ministry of Tertiary Education, Research, Science and Technology (MoTE). The study emanated from a background of complaints from graduates about the refusal of regulatory professional bodies to recognise and license them to practise after completing their studies. The objectives of the study were to;

- establish the number of learners who enrolled in BQA accredited Education and Training Providers and graduated with unrecognised qualifications in regulated sectors.
- advise the Ministry of Tertiary Education, Research, Science and Technology on the extent of the problem.

This was an online survey carried out between 10th October 2020 - 10th November 2020. The study attracted 570 responses from graduates who are unable to register with professional bodies. A total of 62% of the respondents were in the age range of 25 - 34 years, which may be considered entry level to maturing into employment period. Sixty-two (62%) of the respondents have graduated with Bachelor's degrees followed by twenty percent (20%) with Diploma

qualifications, and the rest below or above these. These were both from private and public Education and Training Providers. Most respondents had graduated from private providers. The graduate period goes back to 2004. The graduation cohorts of 2015-2018 and 2019-2020 made up the largest respondents (91.88%).

The results revealed that 425 respondents, making 75% of graduates traced, were unable to register with professional bodies. The professional bodies cited included Architects Registration Council (ARC), Botswana Economics Council (BEC), Botswana Health Professions Council (BHPC), Botswana Institute of Chartered Accountants (BICA), Botswana Institute of Geomatics (BIG), Law Society of Botswana (LSB), Engineers Registration Board (ERB), Quantity Surveyors Registration Council (QSRC) and Real Estate Advisory Council (REAC).

Various reasons were highlighted for unsuccessful registration and the top four included: programmes not recognised by professional bodies/are insufficient, lack of funds to pay registration fees, lack of information and high requirements. Table 14 shows the responses and reasons advanced for failure to register with Professional Bodies.

Table 14: Reasons for Non-registration by Professional Bodies.

| Reasons for not being Registered                                     | Number of Responses |
|--|---------------------|
| Programme not recognised/ Insufficient                               | 113                 |
| Lack of funds to pay registration fees                               | 65                  |
| Lack of information  | 44                  |
| Stringent requirements   | 42                  |
| Institutional delay with information required by professional bodies | 34                  |
| Just graduated   | 21                  |
| Unemployed   | 13                  |
| Not yet applied  | 10                  |
| Traveling restrictions during lockdown                               | 7                   |
| Unavailability of required mentorship                                | 7                   |
| New programme  | 5                   |
| Requirement for proof of employment                                  | 1                   |
| Did not provide a reason   | 63                  |
| <b>TOTAL</b>   | <b>425</b>          |

The results of the survey have provided important data and information for the Ministry and BQA. The responses have provided insight into the challenges on the ground and will inform actions to be taken by all involved in the accreditation process. The survey underscores the importance of collaboration between BQA, Education and Training Providers, qualifications developers and professional bodies in the registration and accreditation processes.

## 7.8 STAKEHOLDER RELATIONS

As the year 2020/21 came to a standstill due to COVID-19 pandemic, it affected how the Authority normally engages with its stakeholders, mainly due to government-imposed lockdowns to reduce movement. BQA had to make instant changes to what was a normal way of raising awareness, educating, and stakeholder engagement in the implementation of its mandate. The Authority developed a robust communications plan with initiatives aimed at protection of brand reputation and promoting stakeholder buy-in amid the pandemic.

Stakeholder engagement's objectives focused on the registration of qualifications on the NCQF, accreditation of NCQF-based learning programmes, transitional arrangements for 2020/21 enrolments, compliance to BQA regulations, and business continuity arrangements during and post lockdown. Through the communications plan, it was critical for the Authority to keep stakeholders abreast

of what was changing, how, when, where, why and to develop and communicate targeted messages.

BQA optimised its online presence to connect and disseminate information to stakeholders by conducting virtual meetings and consultations to reduce physical contact. Furthermore, public notices and adverts were shared on the corporate digital platforms namely the BQA website, Facebook, Twitter, and LinkedIn. The platforms reach many people within a short period of time, which allows for instant and real time response. Traditional platforms in broadcast and print media were also used for advertising to increase stakeholder reach. Radio interviews were carried out to highlight mitigation measures by the Authority to minimise disruption to teaching and learning during the pandemic.

## 7.9 MANAGEMENT SYSTEMS

### 7.9.1 Quality Management System

During the reporting period, the Quality Management System (QMS) focus was around two strategic initiatives, which included developing documentation for identified new service areas and reviewing processes for existing services to improve their efficiency. In that regard new processes and tools were developed for:

- General Education (GE) sub-system,
- Pre-approval of qualifications for development,

- Registration and engagement of reviewers,
- Payment of reviewers, and
- Online tender submission process.

Several existing business processes were reviewed to improve efficiency. Process reviews also came as a good opportunity for process owners to get reacquainted with their processes. Furthermore, process maps (i.e., graphical representation of activities) for ease of communication and comprehension were drawn. The review will continue for other processes in the next financial year to identify and address bottlenecks, repetitions and delays.

## **7.10 HUMAN RESOURCE MANAGEMENT**

### **7.10.1 Attrition**

The Authority continues to ensure it retains its employees. However, during Financial Year 2020/21, eight (8) employees left. Out of the eight (8), five (5) were from critical positions. The Authority ensured the recruitment for those positions is expedited, in order to fill the posts within reasonable time. In other posts, the Authority identified capable employees to act on them, to ensure continuity of service.

### **7.10.2 BQA Response to COVID-19 Pandemic**

The Authority responded to the pandemic by setting up a COVID-19 Response Team which came up with measures and robust staff guidelines based on the health protocols provided by the Ministry of Health and Wellness.

Some of the innovations the organisation initiated, in addition to messaging and prevention measures, included engagement of a SHE officer. To adhere to protocols for managing COVID-19, the Authority adopted new ways of business operation such as Working From Home (WFH) arrangements. The work scheduling approach has assisted in minimising the spread of the virus within the Authority.

However, the WFH has not been without challenges, especially with regard to the limited budget. The Authority had to ensure availability of appropriate infrastructure, especially internet, to facilitate business continuity. Over 95% of employees now have access to internet that enables them to be productive while working from home. Internally, Management had to ensure adequate office occupancy of employees is maintained to enable social distancing. Use of online platforms such as Microsoft Teams, Zoom and Bitrix

have been utilised as an alternative to physical contact. Fifteen (15) staff members; (9 females and 6 males) have been infected as at 31 March 2021 and all have recovered. The organisation continues to be vigilant as it gets into 2021/22.

### **7.10.3 Psychological Support**

The Authority has a long-standing policy to offer psychosocial support to its employees and their immediate family members. This has intensified since the advent of COVID-19 as an integral part of the emergency response. The main objective is to assist employees and their immediate family members to heal psychological wounds, emanating not only from the impact of COVID-19 but other life challenges. This remains the Authority's contribution towards rebuilding social structures and in turn support workforce to achieve the Authority's mandate.

Despite the Authority's effort to make this service available, its uptake has been minimal with only five (5) employees having accessed the psychosocial support services in the year 2020/21. To encourage employees to utilise the service, Management ensures continued messaging and assurance of confidentiality. The service provision is left flexible between the two parties, employee and service provider, within predetermined rates and arrangements. The service is not only limited to social challenges but extend to other areas through sensitisation workshops, arranged as necessary on important issues such as retirement counselling and financial management.

To ensure continued access, the Authority encourages online counselling services through qualified service providers. The face-to-face service is mostly discouraged and offered on a need basis.

### **7.10.4 Human Resource Projects**

During Financial Year 2020/21, the BQA Board approved two (2) strategic projects, being Skills and Competence Audit and Organisational Review. The purpose of the Skills and Competence Audit project is to assess the current skills of the employees and to identify skills and competence gaps the employees have. One of the key deliverables of the project is to document the necessary skills and competencies needed in BQA and develop an informed Competency Framework.

The Five (5) Year Corporate Strategy of the Authority ended in March 2021, and a new Corporate Strategy has been developed, hence the need to embark on an Organisational Review project. The purpose of the project is to ensure that BQA Organogram, both at departmental and divisional levels, is aligned and resourced to deliver on the intentions of the new Corporate Strategy.

## CHALLENGES AND MITIGATING STRATEGIES

Challenges experienced in implementation of the BQA mandate include, amongst others:

- **Internal and External Capacity to Uptake the BQA services** - the Authority continues to face challenges to meet turnaround times for most of the service areas. This is mainly due to inadequate human resource, processes and standards. The Authority continues to review its processes and criteria so that they are user friendly and efficient. Further, the Authority will in the next financial year conduct an organisation review to ensure that the different functional areas are adequately resourced for the execution of the mandate. Strategic partnerships and networks will be maintained, or developed, to improve capacity and facilitate information sharing to ensure global competitiveness of Botswana's education and training system. The Authority will also consider outsourcing some of its functions.
- **Misalignments of Acts** - legislative changes have resulted in duplications and disharmony between requirements of some professional bodies and BQA. This has led to non-recognition of graduates and dissatisfaction among some BQA stakeholders. The Authority will continue to engage professional bodies and other stakeholders to address these challenges pending the review of the identified Acts. The review of the BQA Act , which is planned for 2021/22, will address some of the duplications and disharmonies.
- **Lack of protection of the "University" title and definition** - The Act has not provided for the definitions and requirements for different types of Education and Training Providers (ETPs). For example, the reference to an institution as a University or a College denotes certain attributes and stature. Absence of definition of a university and level creates a challenge for BQA to qualify an ETP into the appropriate category. In view of this, the review of the Act and associated legislative instruments is expected to address this anomaly.
- **Impact of COVID-19 Pandemic on Education and Training** - Measures that were imposed countrywide in response to the pandemic resulted in:
  - Loss of teaching and learning time.
  - Compromised assessments, retakes and re-sits, especially at Higher Education level.
  - Changes in mode of delivery of teaching and learning from the one submitted at registration and accreditation of an ETP.
  - Possibility of delayed progression to higher levels of education / training due to failure to complete current levels.

**Recovery Strategies** - In response to the challenges brought about by the Covid-19 Pandemic. The following measures were put in place.

- Considerations to make up for lost teaching and learning time was made at sector and national level. The objective was that learners cover all the due course content. Necessary measures like additional lessons, extension of period of study and others were considered.
- Admissions - ETPs were advised to consider extension of enrolment periods to provide access to all potential learners .
- ETPs were expected to restructure their academic years to enable students to complete their studies.
- BQA engaged with various stakeholders, including sponsors, parents and students.
- ETPs were advised to consider applying for change of teaching modes.
- Enhancement of Safety, Health and Environment Standards was emphasised.



## 9.0 | FINANCIALS



## Annual Financial Statements

**For The Year Ended 31 March 2021**

**(Established under the Botswana Qualifications  
Authority Act No. 24 of 2013)**

## AUTHORITY INFORMATION

Domicile, legal form and principal business activity:

The Botswana Qualifications Authority (BQA) is a body corporate domiciled in Botswana. It was established under the Botswana Qualifications Authority Act No. 24 of 2013 to provide for and maintain a national credit and qualifications framework and to coordinate the education, training and skills development quality assurance system.

|                                  |  |                          |
|----------------------------------|--|--------------------------|
| <b>Registered address:</b>       | Plot 66450, Block 7<br>Gaborone  |                          |
| <b>Members of the Board:</b>     | <b>Name and Surname</b>  | <b>Date Term Expired</b> |
|                                  | Chairperson - Mr Charles Siwawa  | 14 September 2021        |
|                                  | Vice Chairperson – Mrs Mmatlala Dube                                     | 30 October 2020          |
|                                  | Mr Barulaganye J Mogotsi   | 14 September 2021        |
|                                  | Mr Oupa Masesane   | 30 October 2020          |
|                                  | Mr David J Slater  | 14 September 2021        |
|                                  | Mr Joseph M Matome   | 14 September 2021        |
|                                  | Mr Mogapi E Madisa   | 30 October 2020          |
|                                  | Mr Charles I Coyne   | 30 October 2020          |
|                                  | Mr Tebogo Rapitsenyane   | 30 October 2020          |
|                                  | Mr Busie J Moepi   | 14 September 2021        |
|                                  | Mr Pelotshweu Motlogelwa   | 30 October 2020          |
|                                  | Ms Yolinda Baletloa  | 30 October 2020          |
|                                  | Mr Boniface G Mphetlhe   | 14 September 2021        |
| <b>New Members of the Board:</b> | <b>Name and Surname</b>  | <b>Date Appointed</b>    |
|                                  | Chairman - Mr Gabaake Gokatweng Gabaake                                  | 01 November 2021         |
|                                  | Mrs Susan Mokgothu   | 01 July 2021             |
|                                  | Professor Alinah Segobye   | 01 July 2021             |
|                                  | Professor Richie Moalosi   | 01 July 2021             |
|                                  | Dr Boitumelo Kgarebe   | 01 July 2021             |
|                                  | Mrs Mercy Conlon   | 01 July 2021             |
|                                  | Ms Mahali Morolong   | 01 July 2021             |
| <b>Board Secretary:</b>          | Mr Kennedy O Pheko   | 01 October 2015          |
| <b>Chief Executive Officer:</b>  | Dr Botsalano Mosimakoko  | 02 September 2019        |
| <b>Postal address:</b>           | Private Bag BO 340<br>Gaborone   |                          |
| <b>Auditors:</b>                 | Mazars   |                          |
| <b>Bankers:</b>                  | First National Bank of Botswana Limited<br>Stanbic Bank Botswana Limited |                          |

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## STATEMENT OF RESPONSIBILITY BY THE BOARD

As at 31 March 2021

The Board of Botswana Qualifications Authority are responsible for the annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Qualifications Authority Act, No 24 of 2013.

The Botswana Qualifications Authority ("BQA"/ "Authority") maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of Authority's assets. The directors are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. These controls are mandatory throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring that the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. Nothing has come to the attention of Directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements (Note 13). The members of the Board have no reason to believe that the Authority will not be a going concern in the foreseeable future, based on the continuous support from the Government of Botswana through the Ministry of Tertiary Education Research Science and Technology.

The directors have reviewed the Authority's cashflow forecast for the year 2021/2022 and in light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. The directors have also considered the impact of COVID-19 on the business which is disclosed in Note 12.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Authority's financial records and members of the Board.

The annual financial statements on pages 40 to 75 and supplementary information were authorised for issue by the Board on 25 November 2021 and are signed on its behalf by:

**Chairperson**

Mr Gabaake Gokatweng Gabaake

**Board Member**

Ms Mercy Conion

## INDEPENDENT AUDITOR'S REPORT

To the Members of Botswana Qualifications Authority

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

#### Opinion

We were engaged to audit the annual financial statements of Botswana Qualifications Authority set out on pages 41 to 75, which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Botswana Qualifications Authority as at March 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Botswana Qualifications Authority Act, 2013.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual 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 for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note 12 to the annual financial statements which relates to the Impact of COVID-19 on the operations of Botswana Qualifications Authority. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. However, for the current period, we have determined that there are no Key Audit Matters to communicate in our report.

#### Other matter

We draw attention to Note 5.1 to the annual financial statements which indicates that the previously issued annual financial statements for the years ended 31 March 2020 and 31 March 2019 have been restated. As explained in Note 5.1, this is to reflect the changes in accounting for Land and Buildings previously from valuation model to the historical cost model in the current year. Our opinion is not modified in respect of this matter.

## **Other information**

The members of the board are responsible for the other information. The other information comprises the Authority Information, the Statement of responsibility by the members of the board and the Detailed Income Statement as required by the Botswana Qualifications Authority Act of Botswana, which we obtained prior to the date of this report, and the Botswana Qualifications Authority Annual Report for financial year ended 31 March 2021, which is expected to be made available to us after that date. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are 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 the directors either intend to liquidate the authority or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual 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 Authority to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We communicate with the directors 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.



**Mazars**  
**Certified Auditors**  
**Practicing member: Shashikumar Velambath (19980076)**

Date **26 November 2021**.....  
**Gaborone**



## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

|  | Note  | 2021<br>P           | 2020 Restated*<br>P | 2020<br>P           |
|--|-------|---------------------|---------------------|---------------------|
| <b>Income</b>  |       |                     |                     |                     |
| Government subvention                                | 1     | 94,464,205          | 67,789,298          | 67,789,298          |
| Quality assurance fees                               | 1     | 5,072,250           | 7,978,442           | 7,978,442           |
|  |       | <b>99,536,455</b>   | <b>75,767,740</b>   | <b>75,767,740</b>   |
| Amortisation of capital grants                       | 5.3   | 3,207,710           | 2,502,282           | 2,502,282           |
| Other income   | 2.1   | 419,749             | 665,227             | 665,227             |
| <b>Total income</b>                                  |       | <b>103,163,914</b>  | <b>78,935,249</b>   | <b>78,935,249</b>   |
| <b>Expenditure</b>                                   |       |                     |                     |                     |
| Amortisation of intangible assets                    |       | (221,235)           | (221,234)           | (221,234)           |
| Advertising and promotion                            |       | (103,520)           | (978,147)           | (978,147)           |
| Audit fees   |       | (275,866)           | (226,589)           | (226,589)           |
| Computer expenses                                    |       | (3,256,970)         | (4,783,478)         | (4,783,478)         |
| Depreciation of property, plant and equipment        |       | (2,986,475)         | (2,525,673)*        | (2,665,696)         |
| Maintenance and running costs                        |       | (1,233,625)         | (1,544,774)         | (1,544,774)         |
| Accreditation and Registration Expert fees           |       | (4,101,489)         | (5,798,023)         | (5,798,023)         |
| Research and consultancy                             |       | (2,601,154)         | (1,431,138)         | (1,431,138)         |
| Staff costs  | 2.2.1 | (63,458,659)        | (70,149,789)        | (70,149,789)        |
| Travelling and accommodation                         |       | (26,367)            | (1,093,658)         | (1,093,658)         |
| Workshops and conferences                            |       | -                   | (1,418,943)         | (1,418,943)         |
| Increase in allowance for credit losses              | 4.1.1 | (216,959)           | (80,016)            | (80,016)            |
| Other operating expenses                             | 2.2   | (5,008,453)         | (7,352,615)         | (7,352,615)         |
| <b>Total expenditure</b>                             | 2.2   | <b>(83,490,772)</b> | <b>(97,604,077)</b> | <b>(97,744,100)</b> |
| Finance income                                       | 2.3   | 536,532             | 1,021,551           | 1,021,551           |
| <b>Surplus/ Deficit for the year</b>                 |       | <b>20,209,674</b>   | <b>(17,647,277)</b> | <b>(17,787,300)</b> |
| <b>Total comprehensive gain/ (loss) for the year</b> |       | <b>20,209,674</b>   | <b>(17,647,277)</b> | <b>(17,787,300)</b> |

Note: \*2020 Restated - Depreciation has been restated due to change in accounting policy. Refer to Note 5.1(ii) for details.



## STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

|                                | Note | 2021<br>P           | 2020 Restated*<br>P | 2020<br>P           |
|--------------------------------|------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                  |      |                     |                     |                     |
| <b>Non-current assets</b>      |      |                     |                     |                     |
| Property, plant and equipment  | 5.1  | 32,909,662          | 35,767,802*         | 52,477,768          |
| Intangible assets              | 5.2  | 642,198             | 863,433             | 863,433             |
|                                |      | <b>33,551,860</b>   | <b>36,631,235</b>   | <b>53,341,201</b>   |
| <b>Current assets</b>          |      |                     |                     |                     |
| Trade and other receivables    | 4.1  | 884,638             | 575,185             | 575,185             |
| Cash and cash equivalents      | 4.2  | 47,901,955          | 44,181,915          | 44,181,915          |
| Total current assets           |      | <b>48,786,593</b>   | <b>44,757,100</b>   | <b>44,757,100</b>   |
| <b>Total assets</b>            |      | <b>82,338,454</b>   | <b>81,388,336</b>   | <b>98,098,301</b>   |
| <b>LIABILITIES</b>             |      |                     |                     |                     |
| <b>Non-current liabilities</b> |      |                     |                     |                     |
| Capital grants                 | 5.3  | (30,344,150)        | (34,362,777)        | (34,362,777)        |
| <b>Current liabilities</b>     |      |                     |                     |                     |
| Amortisation of capital grants | 5.3  | (3,207,710)         | (2,502,282)         | (2,502,282)         |
| Projects funds                 | 5.4  | (3,844,841)         | (3,883,125)         | (3,883,125)         |
| Contract liability             | 6.3  | (13,553,786)        | (9,909,225)         | (9,909,225)         |
| Trade and other payables       | 4.3  | (4,750,189)         | (3,474,552)         | (3,474,552)         |
| Employee benefit obligations   | 5.5  | (15,070,678)        | (35,898,952)        | (35,898,952)        |
| Total current liabilities      |      | <b>(40,427,204)</b> | <b>(55,668,135)</b> | <b>(55,668,135)</b> |
| <b>Total liabilities</b>       |      | <b>(70,771,354)</b> | <b>(90,030,912)</b> | <b>(90,030,912)</b> |
| <b>Net assets</b>              |      | <b>11,567,100</b>   | <b>(8,642,574)</b>  | <b>8,067,389</b>    |
| <b>Funds and reserves</b>      |      |                     |                     |                     |
| Accumulated funds              | 6.1  | 11,567,100          | (8,642,574)*        | (13,123,127)        |
| Revaluation reserve            | 6.2  | -                   | -                   | 21,190,516          |
| <b>Total funds</b>             |      | <b>11,567,100</b>   | <b>(8,642,574)</b>  | <b>8,067,389</b>    |

Note: \*2020 Restated - Property Plant and Equipment and Accumulated funds have been restated due to a change in accounting policy. Refer to Note 5.1 (ii) for details.



## STATEMENT OF CHANGES IN FUNDS

For the year ended 31 March 2021

|   | Note     | Accumulated<br>funds<br>P | Revaluation<br>reserve<br>P | Total<br>equity<br>P |
|---|----------|---------------------------|-----------------------------|----------------------|
| <b>For the year ended 31 March 2020</b>                   |          |                           |                             |                      |
| Balance at 1 April 2019                                   |          | 4,664,172                 | 21,190,516                  | 25,854,688           |
| Deficit for the year                                      |          | (17,787,300)              | -                           | (17,787,300)         |
| <b>Balance at 31 March 2020</b>                           |          | <b>(13,123,127)</b>       | <b>21,190,516</b>           | <b>8,067,389</b>     |
| <b>For the year ended 31 March 2021</b>                   |          |                           |                             |                      |
| Balance at 1 April 2020                                   |          | (13,123,127)              | 21,190,516                  | <b>8,067,389</b>     |
| <i>Change in accounting policy for Land and Buildings</i> | 5.1 (ii) | 9,961,587                 |                             | <b>9,961,587</b>     |
| <i>Change in accounting policy for Land and Buildings</i> | 5.1 (ii) | (5,481,034)               | <b>21,190,516</b>           | <b>(26,671,550)</b>  |
| <b>Restated balance as at 1 April 2020</b>                |          | <b>(8,642,574)</b>        | -                           | <b>(8,642,574)</b>   |
| Surplus for the year                                      |          | 20,209,674                | -                           | <b>20,209,674</b>    |
| <b>Balance at 31 March 2021</b>                           |          | <b>11,567,100</b>         | -                           | <b>11,567,100</b>    |



## STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

|   | Notes | 2021<br>P         | 2020<br>Restated*<br>P | 2020<br>P           |
|---|-------|-------------------|------------------------|---------------------|
| <b>Cash flows from operating activities</b>                   |       |                   |                        |                     |
| Surplus/Deficit for the year                                  |       | 20,209,674        | (17,647,277)           | (17,787,300)        |
| <i>Adjustment for non cash items:</i>                         |       |                   |                        |                     |
| Amortisation of deferred capital grants                       | 5.3   | (3,207,710)       | (2,502,282)            | (2,502,282)         |
| Depreciation of property, plant and equipment                 | 5.1   | 2,986,475         | 2,525,673*             | 2,665,696           |
| PPE Disposed previous years                                   | 5.3   | (233,824)         |                        |                     |
| Amortisation of intangible assets                             | 5.2   | 221,235           | 221,234                | 221,234             |
| Interest income   | 2.3   | (536,532)         | (1,021,551)            | (1,021,551)         |
| <i>Changes in working capital</i>                             |       |                   |                        |                     |
| Trade and other receivables                                   |       | (309,453)         | 2,439,147              | 2,439,147           |
| Employee benefit obligations                                  |       | (20,828,274)      | 6,390,045              | 6,390,045           |
| Trade and other payables                                      |       | 1,275,641         | (2,368,660)            | (2,368,660)         |
| Contract liability (deferred income)                          | 6.3   | 3,644,561         | 2,415,887              | 2,415,887           |
| <b>Net cash (used in)/generated from operating activities</b> |       | <b>3,221,792</b>  | <b>(9,547,784)</b>     | <b>(9,547,784)</b>  |
| <b>Cash flows from investing activities</b>                   |       |                   |                        |                     |
| Purchase of property, plant and equipment                     | 5.1   | (128,335)         | (7,131,772)            | (7,131,772)         |
| Interest received   | 2.3   | 536,532           | 1,021,551              | 1,021,551           |
| <b>Net cash used in investing activities</b>                  |       | <b>408,197</b>    | <b>(6,110,221)</b>     | <b>(6,110,221)</b>  |
| <b>Cash flows from financing activities</b>                   |       |                   |                        |                     |
| Capital grants received                                       | 5.3   | 128,335           | 7,131,772              | 7,131,772           |
| Payment for projects  | 5.4   | (38,284)          | (2,751,372)            | (2,751,372)         |
| <b>Net cash from financing activities</b>                     |       | <b>90,051</b>     | <b>4,380,400</b>       | <b>4,380,400</b>    |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   |       | <b>3,720,040</b>  | <b>(11,277,605)</b>    | <b>(11,277,605)</b> |
| Cash and cash equivalents at beginning of year                |       | 44,181,915        | 55,459,520             | 55,459,520          |
| <b>Cash and cash equivalents at end of year</b>               | 4.2   | <b>47,901,955</b> | 44,181,915             | 44,181,915          |

Note: \*2020 Restated - Depreciation has been restated due to change in accounting policy. Refer to Note 5.1(ii) for details

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

| 1          | <b>Income</b>   | <b>2021</b>         | <b>2020</b>         |
|------------|---|---------------------|---------------------|
|            |   | <b>P</b>            | <b>P</b>            |
|            | <b>1.1 Government grants</b>  |                     |                     |
|            | Government subvention   | 94,592,540          | 74,921,070          |
|            | Less: amount transferred to capital grants (Note 5.4)               | (128,335)           | (7,131,772)         |
|            |   | <b>94,464,205</b>   | <b>67,789,298</b>   |
|            | <b>1.2 Revenue from services</b>                                    |                     |                     |
|            |   | <b>2021</b>         | <b>2020</b>         |
|            |   | <b>P</b>            | <b>P</b>            |
|            | <i>Performance obligation satisfied at a specific point in time</i> |                     |                     |
|            | Quality assurance fees  | 5,072,250           | 7,978,442           |
|            |   |                     |                     |
| <b>2</b>   | <b>Other income and expense items</b>                               |                     |                     |
| <b>2.1</b> | <b>Other income</b>   |                     |                     |
|            |   | <b>2021</b>         | <b>2020</b>         |
|            |   | <b>P</b>            | <b>P</b>            |
|            | Miscellaneous income  | 419,749             | 665,227             |
|            |   | <b>419,749</b>      | <b>665,227</b>      |
| <b>2.2</b> | <b>Administration expenses</b>                                      |                     |                     |
|            |   | <b>2021</b>         | <b>2020</b>         |
|            |   | <b>P</b>            | <b>P</b>            |
|            | Amortisation of intangible assets (Note 5.2)                        | (221,235)           | (221,234)           |
|            | Advertising and promotion   | (103,520)           | (978,147)           |
|            | Computer expenses   | (3,256,970)         | (4,783,478)         |
|            | Depreciation of property, plant and equipment (Note 5.1)            | (2,986,475)         | (2,665,696)         |
|            | Maintenance and running costs                                       | (1,233,625)         | (1,544,774)         |
|            | Accreditation and Registration Expert fees                          | 4,101,489)          | (5,798,023)         |
|            | Research and consultancy  | (2,601,154)         | (1,431,138)         |
|            | Staff costs   | (63,458,659)        | (70,149,789)        |
|            | Travel and accommodation expenses                                   | (26,367)            | (1,093,658)         |
|            | Workshops and conferences   | -                   | (1,418,943)         |
|            | Auditor's remuneration  | (275,866)           | (226,589)           |
|            | <b>Operating expenses</b>   | <b>(78,265,360)</b> | <b>(90,311,469)</b> |
|            | Board fees and expenses   | (861,979)           | (1,516,150)         |
|            | Insurance   | (983,372)           | (967,998)           |
|            | Printing and stationery   | (431,919)           | (726,812)           |
|            | Examination and allied expenses                                     | -                   | (125,369)           |
|            | Legal fees  | -                   | (840,131)           |
|            | Security  | (639,864)           | (417,728)           |
|            | Water and electricity   | (662,801)           | (772,811)           |
|            | Other expenses  | (1,645,477)         | (2,065,632)         |
|            | <b>Other operating expenses</b>                                     | <b>(5,225,412)</b>  | <b>(7,432,631)</b>  |
|            | <b>Total administrative expenses</b>                                | <b>(83,490,772)</b> | <b>(97,744,100)</b> |



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

**2.2.1 Breakdown of Staff Costs**

|                    | 2021              | 2020              |
|--------------------|-------------------|-------------------|
|                    | P                 | P                 |
| Salaries and wages | 46,837,174        | 51,203,526        |
| Gratuity           | 8,913,183         | 11,264,439        |
| Pension            | 2,062,220         | 1,641,792         |
| Medical expenses   | 1,588,081         | 1,545,416         |
| Leave pay          | 3,118,732         | 2,725,530         |
| Other staff costs  | 939,269           | 1,769,086         |
|                    | <b>63,458,659</b> | <b>70,149,789</b> |

**2.3 Finance income**

|   | 2021           | 2020             |
|---|----------------|------------------|
|   | P              | P                |
| <i>Finance income</i>                       |                |                  |
| Interest received on short term investments | 536,532        | 1,021,551        |
|   | <b>536,532</b> | <b>1,021,551</b> |

The interest income relates to interest earned on short-term investments maintained with banks and IPRO Money Market investment.

**3 Income tax**

No provision for taxation is made as the Authority is exempt from taxation in terms of the second schedule of the Income Tax Act (Chapter 52:01).

**4 Financial assets and financial liabilities**

The Authority holds the following financial instruments:

| Financial assets             | Notes | Financial assets at amortised cost<br>P | Total<br>P        |
|------------------------------|-------|---|-------------------|
| <b>At 31 March 2021</b>      |       |   |                   |
| Trade and other receivables* | 4.1   | 454,996                                 | 454,996           |
| Cash and cash equivalents    | 4.2   | 47,901,955                              | 47,901,955        |
|                              |       | <b>48,356,951</b>                       | <b>48,356,951</b> |
| <b>At 31 March 2020</b>      |       |   |                   |
| Trade and other receivables* | 4.1   | 348,977                                 | 348,977           |
| Cash and cash equivalents    | 4.2   | 44,181,915                              | 44,181,915        |
|                              |       | <b>44,530,892</b>                       | <b>44,530,892</b> |

\*excluding prepayments



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 4 Financial assets and financial liabilities (continued)

| Financial liabilities   | Notes | Liabilities at amortised cost P |
|-------------------------|-------|---------------------------------|
| <b>At 31 March 2021</b> |       |                                 |
| Other payables*         | 4.3   | <u>4,750,189</u>                |
| <b>At 31 March 2020</b> |       |                                 |
| Other payables*         | 4.3   | <u>3,474,552</u>                |

Authority's exposure to various risks associated with the financial instruments is discussed in Note 8. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above. The carrying amounts of all short term financial assets and liabilities carried at amortised cost approximate to their fair value. (IFRS 7.29(a)).

#### 4.1 Trade and other receivables

|  | 2021<br>P      | 2020<br>P      |
|--|----------------|----------------|
| Trade receivables                                | 645,850        | 278,894        |
| Less: Provision for impairment (Note 8.1)        | (345,689)      | (128,730)      |
|  | <u>300,161</u> | <u>150,164</u> |
| Interest receivable from money market investment | 64,402         | 80,601         |
| Prepayments                                      | 429,642        | 226,208        |
| Other receivables                                | 90,433         | 118,212        |
|  | <u>884,638</u> | <u>575,185</u> |

##### 4.1.1 Reconciliation of provision for impairment loss

| Description  | 2021<br>P      | 2020<br>P      |
|--|----------------|----------------|
| Opening impairment allowance calculated under IFRS 9 as at 1 April                   | 128,730        | 48,714         |
| Increase in receivable loss allowance recognised in profit or loss during the period | 216,959        | 80,016         |
| <b>Closing balance at 31 March</b>   | <u>345,689</u> | <u>128,730</u> |



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 4.2 Cash and cash equivalents

|               | 2021              | 2020              |
|---------------|-------------------|-------------------|
|               | P                 | P                 |
| Bank balances | 47,895,955        | 44,175,915        |
| Cash on hand  | 6,000             | 6,000             |
|               | <b>47,901,955</b> | <b>44,181,915</b> |

#### (i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

|               | 2021              | 2020              |
|---------------|-------------------|-------------------|
|               | P                 | P                 |
| Bank balances | 47,895,955        | 44,175,915        |
| Cash on hand  | 6,000             | 6,000             |
|               | <b>47,901,955</b> | <b>44,181,915</b> |

The Authority did not have any bank balances dominated in foreign currency.

|                      | 2021 | 2020    |
|----------------------|------|---------|
|                      | P    | P       |
| United States Dollar | -    | 186,607 |

#### (ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 48 hours notice with no loss of interest. See Note 14.5 for the Authority's other accounting policies on cash and cash equivalents.

### 4.3 Other payables

|                            | 2021             | 2020             |
|----------------------------|------------------|------------------|
|                            | P                | P                |
| <b>Current liabilities</b> |                  |                  |
| Audit fees accrual         | 275,866          | 233,929          |
| Accruals                   | 3,239,461        | 1,468,310        |
| Suppliers payments         | 1,234,862        | 740,881          |
| Other Miscellaneous        | -                | 845,456          |
| SAQAN Project              | -                | 185,976          |
|                            | <b>4,750,189</b> | <b>3,474,552</b> |

The Southern African Quality Assurance Network (SAQAN) is a regional body with membership from countries and institutions in the SADC Region of which Botswana Qualifications Authority (BQA) is a member. The main objectives of the Network is to improve quality assurance in higher education and harmonise quality assurance systems in the region. Membership is voluntary and members pay joining fees and annual subscriptions fees. BQA has been the Secretariat of the Network since 2015 when the Network was established. The Authority's term as the SAQAN Secretariat has come to an end and all related funds have been transferred to SAQAN Namibia.

The other payables comprise amounts owing for general supplies, utilities and accruals of ongoing expenses. The members of the board considered that carrying amounts of trade and other payables approximate their fair value.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

| 5 | Non-financial assets and liabilities | 5.1 | Property, plant and equipment                 | Note    | Land and buildings |                    | Plant and machinery |                    | Motor vehicles     |                    | Furniture and fittings |          | Office equipment    |   | Computer equipment |   | Library books |   | Work in progress |   | Total |        |
|---|--------------------------------------|-----|---|---------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|------------------------|----------|---------------------|---|--------------------|---|---------------|---|------------------|---|-------|--------|
|   |                                      |     |   |         | (cost)             | P                  | (cost)              | P                  | (cost)             | P                  | (cost)                 | P        | (cost)              | P | (cost)             | P | (cost)        | P | (cost)           | P |       | (cost) |
|   |                                      |     | <b>Cost/valuation</b>                         |         |                    |                    |                     |                    |                    |                    |                        |          |                     |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Balance at 1 April 2019                       |         | 40,300,000         | 4,941,924          | 2,079,329           | 3,764,293          | 1,354,972          | 5,589,716          | 395,716                | 84,670   | 58,510,620          |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Additions                                     |         | -                  | -                  | 1,393,594           | 4,702,985          | 29,720             | 1,005,474          | -                      | (84,670) | 7,131,772           |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Capitalised                                   |         |                    |                    |                     | 84,670             |                    |                    |                        |          |                     |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Change of policy adjustment - cost            | 5.1(ii) | (11,228,932)       |                    | (220,265)           | (975,683)          |                    |                    |                        |          | (11,228,932)        |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Disposals                                     |         | -                  | -                  | -                   | -                  | -                  | -                  | -                      | -        | (1,195,948)         |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Balance at 31 March 2020                      |         | 29,071,068         | 4,941,924          | 3,252,658           | 7,576,265          | 1,384,692          | 6,595,189          | 395,716                | -        | 53,217,512          |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Additions                                     |         | -                  | -                  | -                   | 5,712              | 114,028            | 8,595              | -                      | -        | 128,335             |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | <b>Balance at 31 March 2021</b>               |         | <b>29,071,068</b>  | <b>4,941,924</b>   | <b>3,252,658</b>    | <b>7,581,977</b>   | <b>1,498,720</b>   | <b>6,603,784</b>   | <b>395,716</b>         | <b>-</b> | <b>53,345,847</b>   |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | <b>Accumulated depreciation</b>               |         |                    |                    |                     |                    |                    |                    |                        |          |                     |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Balance at 1 April 2019                       |         | 719,200            | 2,218,027          | -                   | 2,906,966          | 1,085,912          | 2,899,095          | 390,146                | -        | 10,219,346          |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Charge for the year                           |         | 719,200            | 244,625            | 519,447             | 454,499            | 58,634             | 668,956            | 334                    | -        | 2,665,696           |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Reversal on revaluation                       |         | -                  | -                  | -                   | -                  | -                  | -                  | -                      | -        | -                   |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Change of policy adjustment - accumulated dep | 5.1(ii) | 5,481,034          |                    |                     |                    |                    |                    |                        |          | 5,481,034           |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Reversal on revaluation                       |         | -                  | -                  | (23,180)            | (893,186)          | -                  | -                  | -                      | -        | (916,366)           |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Reversal on disposal                          |         | -                  | -                  | -                   | -                  | -                  | -                  | -                      | -        | -                   |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Balance at 31 March 2020                      |         | 6,919,434          | 2,462,653          | 496,267             | 2,468,279          | 1,144,546          | 3,568,050          | 390,480                | -        | 17,449,710          |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | Charge for the year                           |         | 579,177            | 244,625            | 543,194             | 587,137            | 63,756             | 968,251            | 334                    | -        | 2,986,475           |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | <b>Balance at 31 March 2021</b>               |         | <b>(7,498,611)</b> | <b>(2,707,278)</b> | <b>(1,039,461)</b>  | <b>(3,055,416)</b> | <b>(1,208,303)</b> | <b>(4,536,302)</b> | <b>(390,814)</b>       | <b>-</b> | <b>(20,436,185)</b> |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | <b>Carrying amount</b>                        |         |                    |                    |                     |                    |                    |                    |                        |          |                     |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | At 31 March 2020                              |         | 22,151,634         | 2,479,272          | 2,756,391           | 5,107,986          | 240,145            | 3,027,139          | 5,236                  | -        | 35,767,802          |   |                    |   |               |   |                  |   |       |        |
|   |                                      |     | <b>At 31 March 2021</b>                       |         | <b>21,572,457</b>  | <b>2,234,647</b>   | <b>2,213,197</b>    | <b>4,526,560</b>   | <b>290,417</b>     | <b>2,067,483</b>   | <b>4,902</b>           | <b>-</b> | <b>32,909,662</b>   |   |                    |   |               |   |                  |   |       |        |



## 5.1 Property, plant and equipment (continued)

### *(i) Disclosure of depreciation in the statement of comprehensive income*

Depreciation charge for the year has been classified in the statement of comprehensive income as follows:

|   | 2021 | 2020      | 2020      |
|---|------|-----------|-----------|
|   | P    | Restated* | P         |
| Depreciation of property, plant and equipment | -    | 2,525,673 | 2,665,696 |

### *(ii) Change in accounting policy*

The Authority has implemented change in accounting policy for land and buildings from revaluation model to cost model with effect from 01 April 2020, on the basis of relevance of information for decision making and undue cost and effort. The change in accounting policy has been accounted for retrospectively in line with IAS 8 paragraph 14(b). A revaluation reversal has been debited to revaluation reserves (Note 6.2). All other property, plant and equipment are recognised at historical cost less accumulated depreciation.

### *(iii) Depreciation methods and useful lives*

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter of the lease term as follows:

|                              |          |
|------------------------------|----------|
| Leasehold land and buildings | 50 years |
| Plant and machinery          | 20 years |
| Motor vehicles               | 6 years  |
| Furniture and fittings       | 10 years |
| Office equipment             | 6 years  |
| Computer equipment           | 6 years  |
| Library books                | 2 years  |

See note 14.6 for other accounting policies relevant to property, plant and equipment.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 5.2 Intangible assets

| <b>Cost</b>                     | <b>P</b>                |
|---------------------------------|-------------------------|
| Balance at 1 April 2019         | 4,385,680               |
| Additions                       | -                       |
| Balance at 31 March 2020        | <u>4,385,680</u>        |
| Balance at 1 April 2020         | 4,385,680               |
| Additions                       | -                       |
| <b>Balance at 31 March 2021</b> | <b><u>4,385,680</u></b> |
| <b>Accumulated amortisation</b> |                         |
| Balance at 1 April 2019         | 3,301,013               |
| Amortisation charge             | <u>221,234</u>          |
| Balance as 31 March 2020        | <u>3,522,247</u>        |
| Balance at 1 April 2020         | 3,522,247               |
| Amortisation charge             | <u>221,235</u>          |
| <b>Balance as 31 March 2021</b> | <b><u>3,743,482</u></b> |
| <b>Carrying amount</b>          |                         |
| At 31 March 2020                | <u>863,433</u>          |
| <b>At 31 March 2021</b>         | <b><u>642,198</u></b>   |

Intangible assets consists of computer software which is a purchased asset. There were no individual assets that are material to the annual financial statement of the Authority as a whole.

Amortisation is calculated using the straight-line method to allocate the cost (net of their residual values) over their estimated useful lives.

Computer software 4 years



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 5.3 Capital grants

|  | 2021<br>P         | 2020<br>P         |
|--|-------------------|-------------------|
| Balance at 1 April   | 36,865,059        | 32,515,151        |
| Purchase of property, plant and equipment from Government subvention | 128,335           | 7,131,772         |
| Property, plant and equipment disposed                               | -                 | (279,582)         |
| PPE disposed previous years  | (233,824)         | -                 |
| Amortisation during the year   | (3,207,710)       | (2,502,282)       |
| Balance at 31 March  | <u>33,551,860</u> | <u>36,865,059</u> |
| The current and non-current split of capital grants are:             |                   |                   |
| To be amortised within one year                                      | 3,207,710         | 2,502,282         |
| To be amortised thereafter   | 30,344,150        | 34,362,777        |
|  | <u>33,551,860</u> | <u>36,865,059</u> |

The portion of the grants recognised as income during the year relates to the depreciation of property, plant and equipment which was funded by the capital grants.

### 5.4 Project funds

|                                | 2021<br>P        | 2020<br>P        |
|--------------------------------|------------------|------------------|
| Balance at 1 April             | 3,883,125        | 6,634,497        |
| BQA Project operating expenses | (38,284)         | (2,751,372)      |
| Balance at 31 March            | <u>3,844,841</u> | <u>3,883,125</u> |

#### General Education Sector Project

The Authority received the sum of P5,000,000.00 from the Ministry of Basic Education in 2017-2018 for capacity building in the General Education Sector. Implementation started in June 2019 and as at 31 March 2021 there was a balance of P2,228,264 to continue with implementation of the project.

#### Office Building Maintenance

The Government authorised the Authority to use the P3,177,729 which remained during construction of the office building for maintenance purposes. As at 31 March 2021 there was a balance of P1,228,077.

#### Tour Guides Project

The Authority received funds amounting to P388,500 in 2016-2017 from the Human Resource Development Council to support the Tour Guides Recognition of Prior Learning Assessment Project. The Authority had a project on Recognition of Prior Learning for Tour Guides in 2016 for purposes of awarding them qualification on the then Botswana National Vocational Qualifications Framework. The Tour Guides Project was aimed at capacitating the candidates for assessments and was scheduled to run from 2017 to 2019. The Project was suspended as the Botswana Guides Association objected to the qualifications. The Authority is currently engaging with stakeholders namely Human Resource Development Council and Department of Wildlife and National Parks on the implementation plan. The plan will include mapping the qualifications on the National Credit Qualifications Framework.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 5.5 Employee benefit obligations

|                                  | Leave pay<br>P   | Gratuity<br>P     | Total<br>P        |
|----------------------------------|------------------|-------------------|-------------------|
| Balance at beginning of the year | 5,208,904        | 30,690,048        | 35,898,952        |
| Provisions for the year          | 3,118,731        | 8,913,183         | 12,031,914        |
| Payments during the year         | (4,029,901)      | (27,625,294)      | (31,655,195)      |
| Advances                         | -                | (1,204,994)       | (1,204,994)       |
| Balance at end of the year       | <b>4,297,734</b> | <b>10,772,944</b> | <b>15,070,678</b> |

#### Gratuity

Employees receive terminal gratuities in accordance with their contracts of employment. An accrual is made for the estimated liability towards such employees up to the end of reporting period. With effect from 1 April 2005 annual provisions for gratuity for officers of autonomous organisations funded by the Government are required to be placed in trust funds that cannot be spent on any other activity, including birding financing. In order to comply with this requirement the Authority has opened a 32-day notice bank account with Stanbic Bank Botswana Limited and a money market investment with IPRO Botswana for employee obligations. The accounts have a balance of P 15,769,372 (2020: P 34,947,067).

#### Leave pay

Leave pay accrual represents annual leave accrued net of annual leave advanced to employees. The current portion of this liability includes all of the accrued annual leave. The entire amount of the obligation of P 4,297,734 (2020: P 5,208,904) is presented as current, since the Authority does not have an unconditional right to defer settlement of this obligations.

The provisions in respect of the gratuity and leave pay are in accordance with the conditions of employment. The obligations are payable on the date of termination of employment or end of contract of service, whichever is earlier. These calculations are based on management assessment as at the reporting date. Management has assumed that all employees may request their dues within the 12 months, hence the entire provisions are classified as a current liability.

## 6 Reserves

### 6.1 Accumulated Surplus/(Deficit)

|  | 2021<br>P         | 2020<br>P           |
|--|-------------------|---------------------|
| Balance 1 April                                | (13,123,127)      | 4,664,172           |
| Change of accounting policy Land and Buildings | 9,961,587         |                     |
| Change of accounting policy Land and Buildings | (5,481,034)       | -                   |
| Restated opening balance at 01 April 2020      | (8,642,574)       | 4,664,172           |
| Comprehensive surplus/ (deficit) for the year  | 20,209,674        | (17,787,300)        |
| Balance 31 March 2021                          | <b>11,567,100</b> | <b>(13,123,128)</b> |

### 6.2 Revaluation Reserve

|   | Note    | P            |
|---|---------|--------------|
| At 1 April 2019   |         | 21,190,516   |
| Revaluation - gross (Note 5.1)  |         | -            |
| At 31 March 2020  |         | 21,190,516   |
| At 1 April 2020   |         | 21,190,516   |
| Revaluation reversal - Change of accounting policy Land and Buildings | 5.1(ii) | (21,190,516) |
| <b>At 31 March 2021</b>   |         | <b>-</b>     |

### 6.3 Contract liability

|                            |                                  | 2021<br>P         | 2020<br>P        |
|----------------------------|----------------------------------|-------------------|------------------|
|                            | Nature of performance obligation |                   |                  |
| Balance at 1 April         |                                  | 9,909,225         | 7,493,338        |
| Received during the year   |                                  | 7,729,311         | 10,394,329       |
| Recognised during the year |                                  | (4,084,750)       | (7,978,442)      |
| Balance at 31 March        | Specific point in time           | <b>13,553,786</b> | <b>9,909,225</b> |

Contract liability comprises of fees received in advance for registration, accreditation and for conducting audit of Education Training Providers.



## **7 Critical accounting estimates and judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Authority's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in notes 1 to 6 together with information about the basis of calculation for each affected line item in the financial statements.

### **7.1 Significant estimates and judgements**

The areas involving significant estimates or judgements are:

#### **7.1.1 Measurement of the expected credit loss allowance – Note 4.1**

The measurement of the Expected Credit Loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of models and significant assumptions about future economic conditions and credit behavior (e.g the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

#### **7.1.2 Residual value and useful lives of property, plant and equipment**

The Authority follows the guidance of IAS 16 (revised) and determines the residual values and useful lives of assets at each reporting date. This determination requires significant judgement. In making this judgement management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the reporting date and the practice adopted by similar organisations.

Residual values are based on current estimates of the value of these assets at the end of their useful lives.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

#### **7.1.3 Useful lives of intangible assets**

The Authority follows the guidance of IAS 38 and determines the useful lives of assets at each reporting date. This determination requires significant judgement. In making this judgement management evaluates amongst other factors, the purpose for which the respective asset is developed, market conditions at the reporting date and the practice adopted by similar organisations.

#### **7.1.4 Treatment of grants received from Government (Note 1)**

Taking into account its nature and substance, the Authority considers amounts that it receives from the Government to fall within the scope of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. In reaching this conclusion, the Authority considers the terms attached to each of the grants received and the current practice adopted by other parastatals in Botswana. Accordingly, the Authority recognises the amounts received in accordance with the accounting policy as included in note 14.3.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 8 Financial risk management

This note explains the Authority's exposure to financial risks and how these risks could affect the Authority's future financial performance. Current year profit and loss information has been included where relevant to add further context.

| Risk                       | Exposure arising from                           | Measurement                 | Management  |
|----------------------------|---|-----------------------------|---|
| Market risk -interest rate | Deposits at variable rates                      | Sensitivity analysis        | Assets/liabilities matched to the extent possible by holding assets earning variable rates of interest. |
| Credit risk                | Cash and cash equivalents and trade receivables | Aging analysis              | Diversification of bank deposits, credit limits and active debtor management.                           |
|                            |   | Credit ratings              |   |
| Liquidity risk             | Borrowings and other liabilities                | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities   |

The Authority's risk management is carried out by Management under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

#### 8.1 Market risk

##### (i) Cash flow and fair value interest rate risk

Financial instruments that are sensitive to interest rate risk are bank balances on call. The Authority invests excess cash resources in call deposit accounts which earn interest on a daily basis. Interest earned on the call deposit accounts is at market rates from commercial banks.

A 0.5% increase in interest rates would result in an increase in the surplus for the year of P 2,683 (2020: P 5,108), while a decrease in interest rates by a similar margin would result in equal and opposite effect on the surplus for the year. A 0.5% variation is considered the most likely movement in interest rates based on the past interest rates adjustments announced by the Bank of Botswana.

##### (ii) Liquidity risk

The Authority's capital and operational expenditure is funded by the Government of Botswana in the form of revenue and capital grants. The Authority's substantial financial liabilities will be settled within three months after year end except for leave pay and gratuity accruals. Employee obligations are funded from a 32-day notice bank account and a 48hrs money market investment account that have been set up as disclosed in Note 5.6.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### (iii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Authority. As at 31 March 2021, the Authority's maximum exposure to credit risk which will cause a financial loss due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, the Authority has adopted appropriate policies and procedures to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Authority reviews the recoverable amount of each trade debt on an individual basis at the end of each month to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors consider that the Authority's credit risk is significantly low. The Authority does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Financial assets of the Authority, which are subject to credit risk, consist mainly of trade and other receivables and cash resources. The Authority holds cash deposits with reputable financial institutions.

The Authority applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all short-term receivables. To measure the expected credit losses, short-term receivables have been grouped based on shared credit risk characteristics and the days past due. The probability of default (PD) approach has been used to derive PDs and the default is set at 90 days past due. Loss given default (LGD) is set at 100%. Forward looking macro-economic factors are deemed to have an insignificant impact on the Expected Credit Loss (ECL) due to the short-term nature of receivables. The loss allowance as at 31 March 2021 is determined as follows:

| Trade Receivables: Expected Credit loss Default Rates(%) |         |               |                |                |                  |                 |                   |         |
|--|---------|---------------|----------------|----------------|------------------|-----------------|-------------------|---------|
| Date   | Current | 1-30 Past due | 31-60 Past Due | 61-90 Past due | Over 90 Past due | 91-180 Past due | Over 180 Past due |         |
| 1-Apr-20   | 28.95%  | 39.85%        |                | 41.24%         |                  | 59.48%          | 100%              |         |
| 31-Mar-21  | 17.70%  | 32.00%        | 41.00%         | 61.60%         | 100.00%          |                 |                   |         |
| Trade Receivables: Gross Carrying Amounts (Pula)         |         |               |                |                |                  |                 |                   |         |
| Date   | Current | 1-30 Past due | 31-60 Past Due | 61-90 Past due | Over 90 Past due | 91-180 Past due | Over 180 Past due | Total   |
| 1-Apr-20   | 119,394 | -             |                | 111,200        |                  | -               | 48,300            | 278,894 |
| 31-Mar-21  | 64,550  | 62,000        | 56,000         | 448,000        | 15,300           |                 |                   | 645,850 |
| Trade Receivables: Expected Credit Losses (Pula)         |         |               |                |                |                  |                 |                   |         |
| Date   | Current | 1-30 Past due | 31-60 Past Due | 61-90 Past due | Over 90 past due | 91-180 Past due | Over 180 Past due | Total   |
| 1-Apr-20   | 34,566  | -             |                | 45,863         |                  | -               | 48,300            | 128,729 |
| 31-Mar-21  | 11,457  | 19,826        | 22,973         | 276,133        | 15,300           |                 |                   | 345,689 |



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### (iv) Cash equivalent

|                                 | 2021              | 2020              |
|---------------------------------|-------------------|-------------------|
|                                 | P                 | P                 |
| Stanbic Bank Botswana Limited   | 27,177            | 14,024,346        |
| First National Bank of Botswana | 32,163,808        | 9,220,152         |
| IPRO Botswana Limited           | 15,704,970        | 20,931,451        |
|                                 | <b>47,895,955</b> | <b>44,175,949</b> |

The Authority only deposit cash with major banks with high quality credit standing and limits exposure to any one counter-party. The Authority have deposits with Stanbic Bank Botswana, First National Bank of Botswana Limited and IPRO Botswana Limited. There are no credit ratings available in Botswana. The banks are listed companies and have reported sound financial results and continued compliance with minimum capital adequacy requirements. None of the financial assets that are fully performing have been re-negotiated during the year.

Stanbic Bank Botswana Limited is a long established bank in Botswana and a subsidiary of Standard Bank of South Africa. Standard Bank of South Africa is listed on the Johannesburg Stock Exchange and has a credit rating of F1 for short term credits (Fitch rating)

First National Bank of Botswana Limited is listed on the Botswana Stock Exchange and is a subsidiary of First Rand Bank Limited, a Bank listed on the Johannesburg Stock Exchange. Long-term credit rating assigned to the bank by Moody's is Baa3. Long-term credit rating assigned to the bank by Standard & Poor's is BB (strong capacity to meet its financial commitments). First Rand Bank rating reflect the bank's strong market position as one of the big four banks in South Africa as well as its focused strategy, good core profitability, financial flexibility, robust risk management and sound capitalisation.

IPRO Botswana is a Botswana based Investment Management Company, registered and licensed with the NBFIRA. It commenced operations in 2007.

### (v) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arise from commercial transactions. Management has set up a policy to manage foreign exchange risk against the functional currency.

The Authority exposure to foreign currency risk is on operational transactions. The Authority transacts with relevant stakeholders all over the world and is exposed to foreign exchange risk arising from various currencies, primarily the United State Dollar (USD).

The Authority's risk management objective is to manage cash flow risk related to foreign denominated cash flows. The Authority is exposed to currency risk related to changes of exchange between USD and BWP (Botswana Pula) in which it operates. A significant change in the currency exchange rate between USD and BWP could have a material effect on the Authority's surplus.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The Authority is exposed to currency risk through FNB account denominated in USD

| <b>31 March 2021</b>      | <b>USD</b> | <b>BWP</b> |
|---------------------------|------------|------------|
| Cash and Cash equivalents | -          | -          |

The Authority had no cash and cash equivalents as at 31 March 2021.

| <b>31 March 2020</b>      | <b>USD</b> | <b>BWP</b> |
|---------------------------|------------|------------|
| Cash and Cash equivalents | 16,093     | 186,607    |

|  |             |                |
|--|-------------|----------------|
| <b>Foreign currency rates used for conversion at reporting date:</b> | <b>1.00</b> | <b>11.5956</b> |
|--|-------------|----------------|

The strengthening of USD against the BWP by 10% at 31 March 2020 would have an approximate impact of P18,661 on the Authority's surplus, with all the other variables held constant. A 10% weakening of the USD would have equal but opposite effect.

### (vi) Price risk

The Authority has no equity securities. Income and operating cash flows are substantially independent of changes in equity price risk.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 8.2 Liquidity risk

#### As at 31 March 2021

| Liabilities              | Less than six months | Between six and twelve months | More than one year | Total            |
|--------------------------|----------------------|-------------------------------|--------------------|------------------|
|                          | P                    | P                             | P                  | P                |
| Trade and other payables | 4,750,189            | -                             | -                  | 4,750,189        |
| <b>Total</b>             | <b>4,750,189</b>     | <b>-</b>                      | <b>-</b>           | <b>4,750,189</b> |

#### As at 31 March 2020

| Liabilities              | Less than six months | Between six and twelve months | More than one year | Total            |
|--------------------------|----------------------|-------------------------------|--------------------|------------------|
|                          | P                    | P                             | P                  | P                |
| Trade and other payables | 3,474,552            | -                             | -                  | 3,474,552        |
| <b>Total</b>             | <b>3,474,552</b>     | <b>-</b>                      | <b>-</b>           | <b>3,474,552</b> |

### 8.3 Capital risk management

There was no active capital risk management process in place primarily because the Authority was established under the Botswana Qualifications Authority Act No. 24 of 2013. Under this Act, the Government provides grants for both capital and operational expenditure based on detailed budgets submitted by the Board of Directors. The Authority's objective when managing its capital include ensuring a sufficient combination of positive operating cash flows and equity financing in order to meet its capital programs in a way that maximizes the shareholder return given the assumed risks of the operations while, at the same time, safeguarding the Authority's ability to continue as a going concern.

During the period under review, the Authority did not have borrowings.



**9 Contingent liabilities**

**Staff car loan scheme**

The Authority has guaranteed WesBank, a division of First National Bank of Botswana Limited, to a maximum of 80% of the total exposure, in respect of loans given to its staff members under the staff car loan scheme.

**Staff house loan scheme**

The Authority has guaranteed staff home loans from Botswana Building Society, the liability of the Authority is the portion of the loan which is above 90% of the Society's market valuation of the property at any given time.

The Board members confirm that there were no contingent liabilities which required disclosure other than the above and that the exposure of the Authority to the liability is remote.

**10 Capital commitments and contingencies**

**Capital commitments**

The Authority did not have capital commitments as at 31 March 2021.

|                                | 2021<br>P        | 2020<br>P        |
|--------------------------------|------------------|------------------|
| <b>Operational commitments</b> | <b>1,417,507</b> | <b>1,875,569</b> |

The Authority has operational commitments for contracts which are valid in the next twelve months.

|                               | 2021<br>P      | 2020<br>P      |
|-------------------------------|----------------|----------------|
| <b>Contingent liabilities</b> |                |                |
| Rates and taxes               | <b>247,371</b> | <b>247,371</b> |

The Authority has been allocated plot 66450 measuring 6205 square meters and the property will be included in the rate roll for 2022. Rates charge is expected to commence after inclusion in the rate roll, therefore currently there are no rates accrued or charged for plot 66450.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 11 Related party transactions and balance

The Authority maintains a relationship with the Government of Botswana which is the sole shareholder. The Government of Botswana provides significant income to the Authority through capital grants and operational subventions. The Government has statutory representation on the Board of the Authority. Transactions directly with the Government of Botswana are treated as related party transactions.

**a) Ministry of Tertiary Education Research Science and Technology (Ministry) - The Authority is a parastatal under the Ministry.**

|  | 2021              | 2020              |
|--|-------------------|-------------------|
|  | P                 | P                 |
| Subvention received from the Government (Note 1) | <u>94,592,540</u> | <u>74,921,070</u> |

**b) Key Management personnel expenditure:**

|                           | 2021             | 2020             |
|---------------------------|------------------|------------------|
|                           | P                | P                |
| Remuneration              | <u>6,480,205</u> | <u>7,151,475</u> |
| <b>Benefits accruals:</b> |                  |                  |
| Leave pay accrual         | 531,139          | 803,360          |
| Gratuity accrual          | <u>2,475,191</u> | <u>4,596,480</u> |
|                           | <u>3,006,330</u> | <u>5,399,839</u> |

**c) Sitting allowance**

|   | 2021           | 2020           |
|---|----------------|----------------|
|   | P              | P              |
| Sitting allowance paid to Members of the Board    | <u>504,000</u> | <u>410,850</u> |
| Sitting allowance payable to Members of the Board | <u>-</u>       | <u>13,050</u>  |



**12 Impact of COVID-19 Pandemic**

In December 2019, a novel strain of coronavirus (COVID 19) was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” This Coronavirus was also first reported in Botswana in March 2020, and has spread across the world covering Europe, the United States, Russia and even our neighbouring countries, South Africa, Zimbabwe and Zambia.

On 31 March 2020, the President of Botswana declared a “State of Emergency” in Botswana, which has now been extended to 30th September 2021. Numerous sectors of the economy in Botswana have been negatively affected. During the financial year 2020/2021 the cabinet made a decision to withdraw 5% from the Authority’s budgeted subvention.

The Covid-19 pandemic has developed rapidly in 2020-21, with a significant increase in number of cases. Measures taken by the Botswana Government to contain the virus has an impact on economic activity and the Authority’s business. Activities such as stakeholder engagement, policy development, capacity building, information dissemination through workshops were negatively affected. Registration and Accreditation services such as physical visits to customers for validations have been affected due to movement restrictions and other COVID-19 protocols. The restrictions on movement and other COVID-19 protocols negatively impacted the processing of applications resulting in low revenue being recognised. The impact is further reflected on trade receivables age analysis and the current Expected Credit Loss(ECL) reflects the credit loss that the Authority have endured due to Covid 19 pandemic.

The Authority has taken a number of measures to monitor and mitigate the effects of Covid 19, such as safety and health for employees (working from home and social distancing).

At this stage, the impact on the Authority’s financial performance has not been significant. The extent of the impact of COVID-19 on the Authority’s operational and financial performance will depend on new developments, including the duration and spread of the outbreak, the length of social distancing protocols, impact on our customers, employees and suppliers all of which are still uncertain and cannot be predicted.



### **13 Going Concern Assessment**

Botswana Qualifications Authority wishes to draw attention to the fact that as at 31 March 2021, the Authority recovered from accumulated deficit of P13,123,127 to accumulated surplus of P11,567,100.

The improvement was as a result of a decision by the Ministry of Tertiary Education, Research, Science & Technology to increase 2020/21 subvention by P30 million.

The Authority's ability to continue as a going concern is dependent on the Government of Botswana for support. As guided by continual engagement, the parent Ministry of Tertiary Education, Research, Science & Technology, has shown commitment to support the registration and accreditation services now and in the foreseeable future because they believe the BQA mandate is still valid.

This support has been further confirmed by the approval of P94,768,960 as subvention for 2021/22.

The annual financial statements have been prepared on a going concern basis. This basis presumes that support from the Ministry of Tertiary Education, Research, Science & Technology in the form of funds will continue to be available to finance the Authority's operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



#### **14. Summary of significant accounting policies**

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

##### **14.1 Basis of preparation**

The annual financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Botswana Qualifications Authority Act, 2013. The annual financial statements have been prepared on a historical cost basis and are presented in Botswana Pula which is the functional currency. All values are rounded to the nearest one pula.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

##### **New Accounting Standards and Interpretation**

###### **Standards and interpretation adopted during the year.**

###### **Amendment to IFRS 3, 'Business combinations' - Definition of a business**

This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. More acquisitions are likely to be accounted for as asset acquisitions.

To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early-stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce.

The adoption of this amendment has no impact on current and prior periods.

###### **Amendment to IAS 1, 'Presentation of financial statements and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.**

These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs:

- use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting.
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in IAS 1 about immaterial information.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The amended definition is: *“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”*

The adoption of this amendment has no impact on current and prior periods.

### **Amendments to IFRS 9, ‘Financial Instruments’, IAS 39, ‘Financial Instruments: Recognition and Measurement’ and IFRS 7, ‘Financial Instruments: Disclosure’ – Interest rate benchmark reform (Phase 1)**

These amendments provide certain reliefs in connection with interest rate benchmark reform (IBOR). The reliefs relate to hedge accounting and have the effect that IBOR should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

The adoption of this amendment has no impact on current and prior periods because the Authority does not apply hedge accounting.

### **IFRS 16, ‘Leases’ COVID-19-Related Rent Concessions Amendment**

The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

The adoption of this amendment has no impact on current and prior periods because the Authority does not hold leases in a lessee capacity.

### **Standards and interpretation effective but not yet effective**

#### **Amendments to IFRS 9 ‘Financial Instruments’, IAS 39 ‘Financial Instruments: Recognition and Measurement’, IFRS 7 ‘Financial Instruments: Disclosures’, IFRS 4 ‘Insurance Contracts’ and IFRS 16 ‘Leases’ – interest rate benchmark (IBOR) reform (Phase 2)**

The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. Effective for annual periods beginning on or after 1 January 2021.

The Authority is not expecting the amendment to have an impact on its portfolio of investments because the Government of Botswana is undertaking any IBOR related reforms and the Authority does not hold financial instruments in foreign markets likely to be impacted by global IBOR reforms.



**Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current**

The amendment clarifies those liabilities which are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact on the Authority.

**Amendment to IFRS 3, 'Business combinations'**

The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, to determine what constitutes an asset or a liability in a business combination.

In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework.

The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact because the Authority does not have subsidiaries investments.

**Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use**

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss. Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact on the Authority.

**Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract**

The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. Effective for annual periods beginning on or after 1 January 2022.

The amendment is not expected to have an impact on the Authority.



## **14.2 Foreign currency translation**

The Authority's presentation and functional currency is the Botswana Pula ("P").

### **(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the Authority's functional and the presentation currency.

### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency 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 translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Such monetary assets and liabilities are translated at the exchange rates prevailing at year end.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

## **14.3 Revenue recognition**

### **(i) Government subvention and grants**

Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received, and Authority has complied with all attached conditions.

Capital grants are recognised in the statement of financial position on receipt as deferred income and are released to the statement of comprehensive income on a basis matching with the depreciation charge on the assets purchased using the grant.

### **(ii) Interest income**

Interest income is recognised in the statement of comprehensive income as it accrues, considering the effective yield on the asset.

### **(iii) Registration, Accreditation and Audit Services**

The Authority provides registration, accreditation and audit services relating to education. The directors assessed that the provision of registration, accreditation and audit services constitutes performance obligations that are discharged over time because the services are performed by an



## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 March 2021*

indeterminate number of acts over a specified time frame. Consequently, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue recognition follows a five-step model framework as follows:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

### 14.4 Impairment of non-financial assets

Non-financial assets are reviewed annually 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). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period date.

As a minimum, Management considers the existence of the following external and internal indicators at the end of each reporting period date which individually or collectively may indicate impairment on non-financial assets.

#### External sources of information

- An unexpected significant decline in market value of an asset.
- A significant change in the technological, market, economic or legal environment within which the Authority operates or in the market to which an asset has been dedicated, that adversely affects the Authority.
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- The carrying amount of the net assets of the Authority is more than its market capitalisation.

#### Internal sources of information



## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 March 2021*

- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the Authority have taken place during the period or are expected to take place soon, in the extent to which, or manner in which, an asset is used or is expected to be used.

Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.



## 1.5 Financial Assets and Liabilities

### **Measurement methods**

#### **Amortised cost and effective interest rate**

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Authority revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

#### **Interest income**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and recognised on an accrual basis.

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

At initial recognition, the Authority measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Authority recognises the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

- (b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

### **Classification and subsequent measurement**

The classification requirements for debt measured at amortised cost are described below:

#### **Debt instruments**

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

*Classification and subsequent measurement of debt instruments depend on:*

- (i) the Authority's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Authority classifies its debt instruments as amortised cost as follows:

#### **Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured using the simplified expected loss model. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

#### **Business model**

The business model reflects how the Authority manages the assets to generate cash flows. That is, whether the Authority's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL.

Factors considered by the Authority in determining the business model for a group of assets include experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Authority as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of



## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 March 2021*

a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

### ***Cash and Cash Equivalent***

For purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### ***Trade receivables***

Trade receivables are amounts due from customers for services performed in the ordinary course of operation. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### ***Impairment of financial assets***

The Authority recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost which include lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Authority always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using simplified ECL model based on the provision matrix. The ECL model takes into account Authority's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

### ***Derecognition of financial assets***

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.



**Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

***Derecognition of financial liabilities***

The Authority derecognises financial liabilities when, and only when, the Authority's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**14.6 Property, plant, and equipment**

The Authority's accounting policy for land and buildings, plant and machinery, motor vehicles, furniture & fittings, office equipment, computer equipment, computer software and library books are explained in Note 5.1. All assets are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Authority are disclosed in note 5.1.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.



#### **14.7 Intangible assets**

##### **Computer Software**

Intangible assets comprise of computer software. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Authority are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use.
- management intends to complete the software product and use or sell it.
- it can be demonstrated how the software product will generate probable future economic benefits:
- adequate technical, financial, and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software products during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee's costs and an appropriate portion of relevant overheads. Computer software costs recognised as assets are amortized over their useful life on a straight-line basis.

Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

#### **14.8 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Authority prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **14.9 Project Authority's and capital grants**

Capital grants comprise grants received from the Government of the Republic of Botswana (Government) and other donors to finance major capital projects. Funds received are initially credited to projects Fund. Expenditure incurred on the capital projects is capitalised and an equivalent amount is transferred to capital grants. Expenditure incurred on the non-capital projects are charged to the statement of comprehensive income.

All other capital and non-capital expenditure are financed through the annual subvention from the Government. Assets acquired from the subvention are capitalised and an equivalent amount is transferred to capital grants.

An amount equal to the depreciation charge of property, plant and equipment funded by the capital grants is recognised as income in the statement of comprehensive income. Subsequent movement of



## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 March 2021*

property, plant, and equipment in terms of sale and impairment are treated accordingly in the capital grants.

### 14.10 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the effect of discounting to present value is material, provisions are adjusted to reflect time value of money.

### 14.11 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Employees of the Authority who are on fixed term contract and are eligible for gratuity at the rate of 30% (2020: 30%) of basic pay at the end of the contract. Provision for terminal payments have been made in these financial statements. Employee entitlement to annual leave and contractual gratuity are recognised when they accrue to employees because of services rendered by employees up to the statement of financial position date.

The Authority operates a defined contribution pension Authority for its permanent employees. The Authority contributes 16% of the pensionable earnings of the members to the Authority, and the employees contribute an additional 4% of their pensionable earnings. The Authority's contributions are charged to the statement of comprehensive income in the year in which they accrue. The management of the Authority has been outsourced to Alexander Forbes.

### 14.12 Related parties

Related parties are defined as those parties:

- (a) directly, or indirectly through one or more intermediaries, the party that:
  - (i) controls are controlled by, or is under common control with, the entity.
  - (ii) has an interest in the entity that gives it significant influence over the entity; or
- (b) that are members of the key management personnel of the entity or its parent including close members of the family.

All dealings with related parties are transacted on normal commercial terms and conditions and accordingly included in profit or loss for the year.



## DETAILED INCOME STATEMENT

For the year ended 31 March 2021

Annexure 1

|   | 2021<br>P           | 2020 Restated*<br>P | 2020<br>P           |
|---|---------------------|---------------------|---------------------|
| <b>Revenue</b>                                    |                     |                     |                     |
| Government subvention                             | 94,464,205          | 67,789,298          | 67,789,298          |
| Quality assurance fees                            | 5,072,250           | 7,978,442           | 7,978,442           |
|   | <b>99,536,455</b>   | <b>75,767,740</b>   | <b>75,767,740</b>   |
| Amortisation of deferred capital grants           | 3,207,710           | 2,502,282           | 2,502,282           |
| <b>Other income</b>                               |                     |                     |                     |
| Miscellaneous                                     | 419,749             | 665,227             | 665,227             |
|   | <b>419,749</b>      | <b>665,227</b>      | <b>665,227</b>      |
| <b>Finance income</b>                             | <b>536,532</b>      | 1,021,551           | 1,021,551           |
| <b>Total income</b>                               | <b>103,700,446</b>  | <b>79,956,800</b>   | <b>79,956,800</b>   |
| <b>Total Expenditure</b>                          | <b>(83,490,772)</b> | <b>(97,604,077)</b> | (97,744,100)        |
| <b>Operating Surplus/ (deficit) for the year</b>  | <b>20,209,674</b>   | <b>(17,647,277)</b> | (17,787,300)        |
| <b>Expenditure</b>                                |                     |                     |                     |
| Advertising and promotion                         | (103,520)           | (978,147)           | (978,147)           |
| Amortisation charge                               | (221,235)           | (221,234)           | (221,234)           |
| Audit fees  | (275,866)           | (226,589)           | (226,589)           |
| Archiving   | (36,064)            | (31,294)            | (31,294)            |
| Loss on foreign exchange                          | (8,217)             | -                   | -                   |
| Bank charges                                      | (45,758)            | (61,477)            | (61,477)            |
| Board fees and expenses                           | (861,979)           | (1,516,150)         | (1,516,150)         |
| Computer expenses                                 | (3,256,970)         | (4,783,478)         | (4,783,478)         |
| Depreciation of property, plant and equipment     | (2,986,475)         | (2,525,673)*        | (2,665,696)         |
| Disposal costs                                    | -                   | (37,222)            | (37,222)            |
| Entertainment expenses                            | (13,165)            | (2,800)             | (2,800)             |
| Examination and allied expenses                   | -                   | (125,369)           | (125,369)           |
| Gardening services                                | (18,326)            | (82,240)            | (82,240)            |
| Insurance   | (983,372)           | (967,998)           | (967,998)           |
| Legal fees  | -                   | (840,131)           | (840,131)           |
| Library books and materials                       | (265)               | (2,330)             | (2,330)             |
| Maintenance and running costs                     | (1,233,625)         | (1,544,774)         | (1,544,774)         |
| Motor vehicle expenses                            | (187,203)           | (390,168)           | (390,168)           |
| Casual labour                                     | (12,433)            | -                   | -                   |
| Office cleaning                                   | (556,310)           | (554,517)           | (554,517)           |
| Postage and courier                               | (41,829)            | (40,401)            | (40,401)            |
| Printing and stationery                           | (431,919)           | (726,812)           | (726,812)           |
| Protective clothing                               | (13,987)            | (6,928)             | (6,928)             |
| Quality Management System expenses                | -                   | (9,798)             | (9,798)             |
| Accreditation and Registration Expert fees        | (4,101,489)         | (5,798,023)         | (5,798,023)         |
| Research and consultation                         | (2,601,154)         | (1,431,138)         | (1,431,138)         |
| Security  | (639,864)           | (417,728)           | (417,728)           |
| Staff costs                                       | (63,458,659)        | (70,149,789)        | (70,149,789)        |
| Subscriptions                                     | (70,666)            | (282,229)           | (282,229)           |
| Telephone and fax                                 | (424,295)           | (484,212)           | (484,212)           |
| Travelling and accommodation                      | (26,367)            | (1,093,658)         | (1,093,658)         |
| Water and electricity                             | (662,801)           | (772,811)           | (772,811)           |
| Workshops and conferences                         | -                   | (1,418,943)         | (1,418,943)         |
| Increase in allowance for credit losses           | (216,959)           | (80,016)            | (80,016)            |
|   | <b>(83,490,772)</b> | <b>(97,604,077)</b> | <b>(97,744,100)</b> |
| <b>Operating surplus / (deficit) for the year</b> | <b>20,209,674</b>   | <b>(17,647,277)</b> | <b>(17,787,300)</b> |

Note: \*2020 Restated - Depreciation has been restated due to change in accounting policy. Refer to Note 5.1(ii) for details.  
This detailed income statement does not form part of the financial statements covered by the audit opinion on pages 4 to 7.







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