

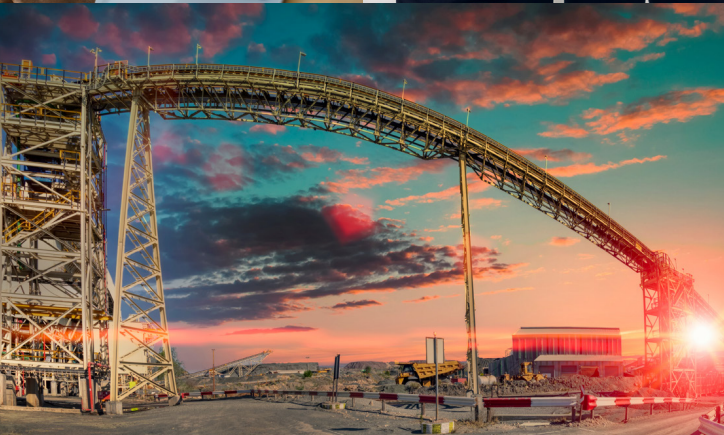
Annual Report

2022/2023



HUMAN
RESOURCE
DEVELOPMENT
COUNCIL
of BOTSWANA

OUR PEOPLE · OUR FUTURE





**HUMAN
RESOURCE
DEVELOPMENT
COUNCIL**
of BOTSWANA

OUR PEOPLE · OUR FUTURE

ANNUAL REPORT

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1.0

INTRODUCTION

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Picture courtesy of Construction Industry Trust Fund (CITF)

INTRODUCTION



1.1 Corporate Profile

The Human Resource Development Council (HRDC) was established by the HRDC Act No 17 of 2013 which became effective on the 8th November, 2013. In a supervisory capacity and acting as Government's advisor on human resource development, the HRDC provides a platform for the Public Sector, Private Sector and Civil Society to act in concert to drive the National Human Resource Development Strategy (NHRDS).

Specifically, the Council coordinates efforts by all parties to study Botswana's education and skills development mechanism, assesses its impact on national priorities, identifies barriers to effective delivery of the NHRDS and mutually agrees on targeted solutions that should be implemented in the short, medium and long term in alignment with the strategic intent (as pronounced in the NHRDS). The implementation of the above targeted solutions are driven by a set of clear initiatives that are coordinated, promoted and overseen by the HRDC in partnership with relevant stakeholders.

The establishment of the HRDC, therefore, represents a clear acknowledgement by Government of the need to drive effective HRD through a process that engages and accommodates the input and broad participation of the public sector, the private sector, civil society, labour, youth, educational institutions and other key stakeholders as partners.



Chairperson of the HRDC Board
Ms Choice Pitso



Chief Executive Officer (CEO)
Professor Alinah K. Segobye



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Botswana Human Resource Development
Council



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Human Resource Development Council
Botswana



1.2 MISSION AND VALUES



OUR MISSION

To drive the development of Botswana's Human Resource to achieve a Knowledge Based Economy through the provision of Policy Advise, Planning, Funding, Coordination and Effective Collaboration.



OUR VISION

To transform Botswana into a Globally Competitive Human Resource Hub by 2036.



OUR VALUES

ACCOUNTABILITY

We act responsibly and commit to being answerable for our decisions and actions.

EXCELLENCE

Quality service and commitment to outstanding performance.

EFFECTIVE COMMUNICATION

Effective and continuous engagement of both internal and external stakeholders.

TEAM WORK

Collectively working towards common goals.

INTEGRITY

Ethical, respectful, honest and Botho when dealing with customers and stakeholders.

INNOVATION

Continuously seeking solutions and improvements



1.3 HRDC'S FUNCTIONAL STRUCTURE



Figure 1: HRDC Functional Structure



2.0

Corporate Governance Report

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HRDC subscribes to King III which promotes compliance with Corporate Governance structures.



CORPORATE GOVERNANCE REPORT

2.1 Chairperson's Statement

Ms Choice Pitso
Board Chairperson

Human Resource
Development Council



It is my honour to present the 2022/2023 Annual Report for the Human Resource Development Council (HRDC) covering the organisation's operational and financial performance. This is the third year of the Organisation's Strategic Plan 2021-2026.



The strategic plan provides an effective tool as we deliver on the mandate of the HRDC and work towards realising the aspirations of Vision 2036 to transform Botswana from an upper middle-income country to a high-income country. As we emerge from the devastating impact of the COVID-19 pandemic, we are grateful for this opportunity to share our modest achievements.

Human Capital Development remains key in transforming the country from a resource-based to a knowledge-based economy. The uptake of new technologies, automation and digital transformation are key to transforming the business environment in which we operate and to a knowledge-based society. This therefore places greater importance on the reskilling and upskilling of people. The Future of Jobs Report of the World Economic Forum predicts that over 60 percent of workers will need retooling between now and 2027, but only half of these workers have access to adequate training opportunities.



CORPORATE GOVERNANCE REPORT

2.1 Chairperson's Statement (Continued)

At HRDC, we continue to work with key stakeholders to identify workforce needs and skills which are in demand for the labour market. To this end, we continuously work with industry to ensure we have accurate information on their needs. This enables us to produce the Priority Occupations List that is a guide for the funding of students in higher education.

The Board continues to exercise its oversight role as directed by the Board Charter and other governance instruments adopted by the Board. The various Board Committees namely, Finance and Audit, Human Resource Development (HRD) Planning, and Procurement and Human Resources monitored and reviewed financial as well as operational activities to ensure compliance and delivery.

We are mindful of the impact of the pandemic on the education ecosystem especially in terms of increased vulnerability of some in our communities. Although constraints on our funding environment remain a challenge and barrier to our ability to fully reach high performance, we continue to seek new opportunities for growth to ensure delivery against our strategic plan and the NHRDS.

On behalf of my fellow Board Members, I extend sincere gratitude to the Minister of Education and Skills Development, the Chief Executive Officer of the HRDC, the Executive Management, and to Staff for their efforts in ensuring that we advance the country's human resource development. We remain steadfast in our clarion call: Our People. Our Future.

We have learned many lessons from the global COVID-19 pandemic and are alive to the fact that we as an organisation, must remain agile in the face of challenges that have affected our country and the world at large.

Ms Choice Pitso
Human Resource Development Council
Board Chairperson



2.2 CORPORATE GOVERNANCE REPORT

2.2 Internal Audit

The Board has established an independent Internal Audit function which provides assurance and consulting services to the Board and Management as to the adequacy, effectiveness and efficiency of governance, risk management, and internal control. This is done to support the Council's Strategy, Vision, Mission, and aspired value set.

To maintain its independence, the unit reports functionally to the Finance and Audit Committee of the Board and administratively to the Chief Executive Officer. The Head of Internal Audit has unrestricted access to the Chairperson of the Board and the Finance and Audit Committee.

The purpose, responsibility, and authority of the Unit are elaborated in an Audit Charter which is reviewed and approved by the Finance and Audit Committee on an annual basis. A risk based internal audit plan is also approved by the Committee on an annual basis.

environment to minimise loss arising from key risks that could materialise. A combined assurance process approach has been adopted where quarterly reports are considered from all assurance providers, including internal and external, to deliberate on significant internal control issues and remedial action. The Committee also deliberates on the implementation of recommendations from these assurance providers to facilitate speedy resolution.

The Council maintains a robust internal control system embedded through its policies, procedures, and other governance documents. These are continually reviewed and implemented to manage emerging risks. A continuous improvement approach to build resilience is deployed with a focus on automating some of the key controls and maintaining a balance by leaning more towards designing preventative rather than detective controls.

Internal Control

As part of its fiduciary responsibilities, the Board, through the Finance and Audit Committee, ensures Management maintains a robust internal control

HRDC Ethics Hotline

To Report incidences of suspected fraudulent and corrupt activities affecting the HRDC, use the following contact details:

1

By calling the toll free number: **16136** through Landline or Cellphone (all mobile service providers)

3

Through website at www.tip-offs.com

2

Email: HRDC@tip-offs.com



2.3 HRDC Board Members Profiles

The governing body of the Human Resource Development Council (HRDC) is a Board consisting of the Chairperson, the Vice Chairperson and Board members drawn from various sectors of the economy. The Board consists of thirteen (13) non-executive members who are appointed by the Minister of Education and Skills Development for a tenure of three (3) years.

The Board is responsible for setting the direction in the execution of the HRDC mandate. It meets on a quarterly basis to consider projects, various strategic and policy issues, and make decisions and other matters having material effect on the Board's affairs. However, a special meeting may be called at any time to address pressing business or issues. During the reporting period, there were four (4) vacancies and therefore the Board operated with nine (9) members. Furthermore, during the reporting period, there was one (1) resignation in February 2023.



CORPORATE GOVERNANCE REPORT

2.3 HRDC Board Members and Profiles



Ms Choice Pitso
Board Chairperson

Ms Choice Pitso is currently the Chairperson of the Human Resource Development Council (HRDC) Board and has held this position since October 2021. She is also the Head of Human Capital at Metropolitan Botswana.

She has 20 years' experience in the field of senior management and cross-industry human capital experience ranging from Government, Parastatals, Diamond Mining and Polishing, Telecommunications, and the Education sectors. She headed the Human Capital function at various companies including the Botswana Agricultural Marketing Board (BAMB), Laurelton Diamonds (a local subsidiary of Tiffany and Co.) and Debswana Jwaneng Mine. Ms Pitso was Non-Executive Director and Chairperson of the Human Resources Committee at Botswana Telecommunications Corporation for eight (8) years and was Council Member and Chairperson of the Human Resources Committee for ABM University College for two (2) years.

She holds a Master of Science (MSc) degree in Human Resource Management from the University of Manchester in the United Kingdom, and a Bachelor of Arts degree in Social Sciences (Public Administration and Political Science) from the University of Botswana, a Certificate in Africa Directors Program (ADP) from the University of Stellenbosch Business School (USB) in Cape Town, South Africa, and an Intermediate Certificate in Business Studies (ICiBS) from Insurance Institute of South Africa. Ms Pitso is also a member of the Institute of People Management (IPM), South Africa.



Mr Bugalo L. Masole
Board Member

Mr Bugalo L. Masole is the Head of Production Services at Stanbic Bank Botswana. He is a well-rounded technology leader with a holistic experience and exposure of running a robust IT environment that can transform business objectives into desired results.

He has a proven record of driving an effective assimilation of business strategy and technology trends that extend from IT service management, governance, and project management to deliver the ideal technology environment that can drive a business towards reaching a defined strategic direction. Furthermore, he has vast experience in the formulation of succession plans, and the associated training requirements, to sustain future development and growth of staff, and has exceptional skills in putting in place an effective technology support in line with emerging trends. Mr Masole's key responsibilities as Head Production Services at Stanbic Bank Botswana are to bridge the gap between business needs, business strategy and technology solutions as well as to influence, co-ordinate and facilitate the development of the technology platform to align with country and group strategic goals. Additionally, he partners extensively with external group counterparties and internal peers across all key functions to ensure that country operations and technology platform functionality are aligned and optimized.

Mr Masole has previously held several senior technology management positions among others ABSA Bank Botswana, Botswana Post and Bayport Financial Services. His academic profile includes a Bachelor of Science (BSc) in Information Technology from Midrand Graduate Institute (South Africa) and a Master of Science (MSc) in Strategic Management from the University of Derby in the United Kingdom. He has also attained several industry certifications ranging from IT service management, project management and governance to name a few.



CORPORATE GOVERNANCE REPORT

2.3 HRDC Board Members and Profiles (Continued)



Mr Otlaabotsa D. Tsie
Board Member

Mr Otlaabotsa Tsie has over 16 years' work experience, 10 of which were in the banking industry with Standard Chartered Bank Botswana (SCBB), the Citizen Entrepreneurial Development Agency (CEDA) and the Botswana Savings Bank (BSB). Mr Tsie has held various positions such as Head of Risk and Compliance Committee, Head of Enterprise Risk, Risk Manager in the banking and oil and gas industries and is currently Director of Risk and Compliance with the Botswana Public Officers Pension Fund (BPOPF).

Mr Tsie holds a Bachelor's degree in Business Administration (BBA) Management and is a Certified Enterprise Risk Manager (CERM™). He is currently pursuing the Professional Risk Manager Qualification with the Professional Risk Managers' International Association (PRMIA™) and an Executive Leadership Programme with the London School of Business and Economics.



Dr Andrew B. Molwane
Board Member

Dr. Andrew B. Molwane is an educationist who has operated for over 30 years in the education and training field. Six of these were spent as a teacher at secondary school and subsequently as head of English Department. Dr. Molwane spent 15 years working as a trainer of secondary school teachers, inclusive of his role as a college deputy principal at Tonota College of Education and later at Molepolole College of Education.

He was instrumental in the establishment of the National Credit and Qualifications Framework Unit. He also coordinated the development of the Botswana Qualifications Authority Bill which led to the enactment and promulgation of the Botswana Qualifications Authority Act of 2013. This milestone resulted in the establishment of the entity now called the Botswana Qualifications Authority (BQA).

Dr. Molwane also participated in the development of the National Curriculum and Assessment Framework (NCAF), where he provided guidance to ensure that NCAF was aligned to the National Credit and Qualifications Framework (NCQF). Dr Molwane is a member of the Human Resource Development Council Board. He also serves in two committees of the Board, the Funding Committee and the HRD Planning Committee.

Dr Molwane has co-authored several social studies text books for primary and secondary schools. Dr. Molwane holds a PhD with a major in Curriculum and Instruction and a Minor in Instructional Systems Technology from Indiana University (USA), a Masters in Science Education from Indiana University (USA), a Masters of Arts in Education (Computers in Education) from the University of London, a Bachelor of Arts and a Concurrent Diploma in Education from the University of Botswana and Swaziland.



CORPORATE GOVERNANCE REPORT

2.3 HRDC Board Members and Profiles (Continued)



Prof. Annah A. Molosiwa
Board Member

Prof Annah A. Molosiwa is an Associate Professor in the Department of Languages and Social Sciences Education at the University of Botswana. She holds a PhD in Teaching, Curriculum and Education Policy from Michigan State University (USA), a Master of Science (MSc) in Curriculum and Instruction from the University of Wisconsin, Madison (USA), and Bachelor of Arts (BA) degree in Humanities and Concurrent Certificate in Education from the University of Botswana and Swaziland.

Prof Molosiwa has served as an educator for over 40 years. She has been a secondary school teacher, a teacher educator, a researcher, and a consultant. She is currently Head of the Department of Languages and Social Sciences Education at the University of Botswana. She has led the review of the Departmental programmes to be outcomes-based in accordance with the Education Training Sector Strategic Plan (ETSSP 2015 - 2020). She is also instrumental in ensuring that the programmes are BQA-compliant and accredited. In her role as the Head of Department, she serves the University in several committees such as the Faculty of Education Promotions Appointments and Review Committee, Faculty Executive Committee and the Departmental Admissions and Marketing Committee.

Prof Molosiwa's research interests are in the areas of curriculum and education policies, literacy and language development, education for sustainable development, youth unemployment, teacher education and the professional development of teachers. In terms of professional service, Prof Molosiwa collaborates with a number of universities in the SADC region as an External Examiner and co-researcher. She is a member of the Botswana Educational Research Association (BERA), the Organization for Social Science Research in Eastern and Southern Africa (OSSREA) Botswana Chapter, and the International Literacy Association (ILA).



Ms Mpho Leteane
Board Member

Ms Mpho Leteane serves as the Legal and Governance Manager (Company Secretary) at Morupule Coal Mine. She has over 12 years of extensive legal practice experience and has held various senior leadership positions as an attorney and legal advisor in both public and private organisations.

Prior to joining Morupule, she was the Legal and Compliance Manager (Board Secretary) at Mmila Fund Administrators where she was responsible for ensuring compliance with regulatory requirements, managing risks, providing strategic direction to the legal department, and advising the Board on statutory requirements and good governance practices. Ms Leteane began her legal career at the International and Commercial Division of the Attorney General's Chambers where she acquired a strong foundation in commercial and international law, including contract management, compliance, and risk management. She also served in various national committees as a legal advisor. She is a Board member of the Human Resource Development Council, Ticano Group Pty (Ltd) and Independent Trustee at Alexandra Forbes Preservation Fund.

Ms Leteane holds an Executive Master in Entrepreneurship, a Bachelor of Laws (LLB), and a Post Graduate Diploma in Business Management from the University of Botswana. She has also received Compliance Management Training from the University of Cape Town. She was admitted to practice as an attorney, notary, and conveyancer in 2011 and is a member of the Compliance Institute of Southern Africa.



CORPORATE GOVERNANCE REPORT

2.3 HRDC Board Members and Profiles (Continued)



Prof Elisha N. Toteng
Board Member

Prof Elisha N. Toteng is an Environmental Scientist with over 30 years of work experience in academia, government, and private sector consultancy in environment and development. He is currently an Associate Professor in Environmental Science (Urban Environmental Science) in the Department of Environmental Science at the University of Botswana (UB).

Prof Toteng has extensive experience in board governance and/or leadership, highlights of which are: Member of HRDC Board (2021-2023) and Chair of its Human Resource Development Planning (HRDP) Committee, Member of South-East District Council (SEDC) Physical Planning Committee (2022-2024), Board Chairman of Botswana Environmental Assessment Practitioners Association (BEAPA) (2015-2017), Member of SOS Botswana Board and its Child Safeguarding and Programs Committee (2019-2023), Board Chairman of Kweneng Council Trust (KCT) (January-December 2015), Member of University of Botswana Senate (2012-2015), Member of Faculty of Science HR Committee, Faculty Appointments, Promotions and Review Committee (FAPRC), University of Botswana (2015-2018), Member of Faculty of Engineering & Technology (FET) HR Committee, Faculty Appointments, Promotions and Review Committee (FAPRC), University of Botswana (2012-2014), Board Chairman of the National Steering Committee (NSC) of Botswana (2002-2008), United Nations Development Programme (UNDP), Global Environmental Facility (GEF), Small Grants Programme (GEF-SGP), President of the Sheffield African Welfare Association (SAWA), University of Sheffield, England (1993-1994), and Vice President, Botswana Students Union, United Kingdom (1993-1994). Prof Toteng graduated with the following: a Bachelor of Arts (BA) in Environmental Science, University of

Botswana (1988), a Master of Arts (MA) in Town and Regional Planning, University of Sheffield, England (1995), a Doctor of Philosophy (PhD), Cardiff University, Wales, Faculty of Engineering and Environmental Design, School of City and Regional Planning (2001).



Mr Gokaiwamang M. Hetolang
Board Member

Mr Gokaiwamang Mokolobetsi Hetolang is the Managing Director of the newly established Chelwood Consulting Engineers and Project Managers. The company is involved in making proposals for consultancy designs in the areas of water/wastewater, landfills, land reclamation, roads, civil/structural engineering, general infrastructure projects, construction, supervision of projects, investigative work on old, dilapidated buildings, detection of water supply leakages, and Environment Impact Assessment (EIA) for infrastructure projects.

Some notable projects he has coordinated include Peto Estate Infrastructure Project (Phakalane), Francistown Sewerage Reticulation System and Sewage Treatment Works (Francistown), SADC Water Projects (Botswana, Lesotho, Mozambique, and Namibia), and Jwaneng Mine Waste Stabilization Ponds (Jwaneng).

He is a Civil Engineering professional with 28 years of work experience. He has designed and supervised township/rural infrastructure projects mainly building works, urban abattoir facilities and associated works, fire stations, bus ranks, roads and storm water drainage system, landfills, water supplies, sewage treatment works and sewerage reticulation systems, power, and telecommunications services.



CORPORATE GOVERNANCE REPORT

2.3 HRDC Board Members and Profiles (Continued)



Ms Prescilla K. Gower
Board Member

Ms Prescilla Gower is a seasoned Human Capital Management Executive with a career spanning over 19 years. Her work experience ranges across different industries including, Consulting, Retail, Parastatal, Mining and is currently in the Banking industry. She has vast experience in Human Capital Strategy, Remuneration, Talent and Performance Management, Recruitment, Employee Engagement, Culture Transformation and Training and Development.

She has capital projects experience gained from her experience working for Debswana (2008-2013) and has continued to deliver human capital transformation projects in her current role with ABSA Bank Botswana since joining the Bank in 2013. She is currently Head of Culture Transformation and Reward at ABSA Bank Botswana.

Ms Gower holds a Bachelor of Arts degree in Psychology and Sociology from Monash University, Australia, a Diploma in Organisational Development from University of South Africa, a Global Remuneration Professional Certification from Work@Work, and is currently pursuing a Master of Business degree in Administration – Strategy with the Edinburgh Business School. Moreover, Ms Gower is an Accredited Reward Specialist and Mobility Specialist by the South African Reward Association.



Mr Odirile Motlhale
Board Member

Mr Odirile Motlhale is currently the Chief Operations Officer at Boniswa Botswana. He has 24 years of experience in Sales, Communications and Public Relations Management. He has diverse work experience having worked for Mascom Wireless and as a Member of Parliament (MP) for South-East South Constituency (2009-2014) and in various Portfolio Committees within the National Assembly.

Mr Motlhale holds the following degrees: Master of Science (MSc) degree in Strategic Management obtained from the University of Derbyshire in the United Kingdom (2008) and was majoring in Project and Change Management, a Post Graduate Diploma in Business Management from De Montfort University in the UK (2003), a Post Graduate Diploma in Education the University of Botswana (UB) (1996), and a Bachelor of Arts (BA) in Humanities from UB (1995).



CORPORATE GOVERNANCE REPORT

2.4 Board Committees

The HRDC Board has five (5) Committees, and they are as follows:

2.4.1 Finance and Audit Committee

Purpose: To monitor, evaluate, and make recommendations to the Board with respect to operational policies and strategic matters on Finance and Audit.

Table 1: Finance and audit Committee Membership

1.	Mr Otlaabotsa D. Tsie - Chairperson
2.	Mr Gokaiwamang M. Hetolang – Member
3.	Ms Precilla K. Gower – Member
4.	Mr Odirile Motlhale – Member
5.	Mr Meshack J. Tafa (Acting Chief Executive Officer) - Ex-Officio Member

2.4.2 Procurement Committee

Purpose: To monitor, evaluate, and make recommendations to the Board with respect to policies and strategic matters relating to procurement, upkeep, and disposal of assets.

Table 2: Procurement Committee Membership

1.	Ms Mpho Leteane - Chairperson
2.	Ms Bugalo L. Masole – Vice Chairperson
3.	Mr Gokaiwamang M. Hetolang – Member
4.	Prof Annah A. Molosiwa – Member
5.	Prof Elisha N. Toteng – Member
6.	Mr Meshack J. Tafa (Acting Chief Executive Officer) - Ex-Officio Member

2.4.3 Human Resources Committee

Purpose: To monitor, evaluate, and make recommendations to the Board with respect to policies and strategic matters related to the HRDC internal human resource.

Table 3: Human Resources Committee Membership

1.	Ms Precilla K. Gower - Chairperson
2.	Ms Mpho Leteane – Member
3.	Mr Odirile Motlhale – Member
4.	Mr Otlaabotsa D. Tsie – Member
5.	Mr Meshack J. Tafa (Acting Chief Executive Officer) - Ex-Officio Member



CORPORATE GOVERNANCE REPORT

2.4 Board Committees (Continued)

2.4.4 Funding Committee

Purpose: To provide oversight and strategic guidance on the management of the three Funds namely; the Human Resource Development Fund (HRDF) which is already established, the Public Tertiary Education Institutions Fund (PTEIF) and the Tertiary Education Student Support Fund (TESSF) which are yet to be established. These Funds are meant to fund the education and training sector.

Table 4: Funding Committee Membership

1.	Mr Odirile Motlhale - Chairperson
2.	Prof Annah A. Molosiwa – Vice Chairperson
3.	Dr Andrew B. Molwane – Member
4.	Ms Mpho Leteane – Member
5.	Mr Bugalo L. Masole – Member
6.	Mr Meshack J. Tafa (Acting Chief Executive Officer) – Ex-Officio Member

2.4.5 Human Resource Development (HRD) Planning Committee

Purpose: To provide direction on National HRD planning by applying a sector-focused approach to respond to the mismatch between supply and demand needs.

Table 5: Human Resource Development (HRD) Planning Committee Membership

1.	Prof. Elisha N. Toteng- Chairperson
2.	Dr Andrew B. Molwane – Vice Chairperson
3.	Mr Bugalo L. Masole – Member
4.	Prof Annah A. Molosiwa – Member
5.	Ms Prescilla K. Gower – Member
6.	Dr Bangwato Sikwa – Member
7.	Mr Rapula M. Kegopilwe – Member
8.	Mr Meshack J. Tafa (Acting Chief Executive Officer) – Ex-Officio Member

During the reporting period, the HRDC Board Committees were reconstituted due to the implementation of the new Public Procurement Act, No.24 of 2021 (The Act/PP Act) through Statutory Instrument No. 37 of 2022 which was issued on the 14th of April 2022.

This therefore meant that the HRDC Board Procurement Committee was automatically repealed as Section 41 of the Public Procurement Act vests the overall responsibility and accountability of the execution and decisions on all procurements in the Procuring Entity on the Accounting Officer, that is, Chief Executive Officer in the case of HRDC.



CORPORATE GOVERNANCE REPORT

2.4 Board Committees (Continued)

The reconstituted HRDC Board Committees Membership is as follows:

Table 6: HRDC Board Committees Membership

Human Resource Committee (5 Board Members)	Finance and Audit Committee (5 Board Members)	Funding Committee (5 Board Members)	HRD Planning Committee (5 Board Members plus 2 Sector HRD Planning Committee Representatives)
Mr Bugalo L. Masole (Chairperson)	Mr Otlaabotsa D. Tsie (Chairperson)	Mr Odirile Motlhale (Chairperson)	Prof Elisha N. Toteng (Chairperson)
Ms Mpho Leteane (Vice Chairperson)	Mr Gokaiwamang M. Hetolang (Vice Chairperson)	Prof Annah A. Molosiwa (Vice Chairperson)	Dr Andrew B. Molwane Member
Mr Otlaabona D. Tsie	Mr Odirile Motlhale	Dr Andrew B. Molwane	Mr Bugalo L. Masole
Mr Odirile Motlhale	Prof Elisha N. Toteng	Ms Mpho Leteane	Prof Annah A. Molosiwa
Mr Gokaiwamang M. Hetolang	Prof Annah A. Molosiwa	Mr Bugalo L. Masole	Mr Gokaiwamang M. Hetolang

2.5 HRDC Board Meetings for the Financial Year 2022/2023

Table 7: HRDC Board Meetings for the Financial year 2022/23

	Date of Meeting	Type of Meeting
1.	6 th April 2022	49 th HRDC Special Meeting
2.	5 th May 2022	50 th HRDC Special Meeting
3.	20 th May 2022	51 st HRDC Special Meeting
4.	21 st June 2022	52 nd HRDC Quarterly Meeting
5.	29 th July 2022	53 rd HRDC Special Meeting
6.	28 th September 2022	54 th HRDC Quarterly Meeting
7.	4 th October 2022	54 th HRDC Quarterly Meeting (Continuation)
8.	13 th December 2022	55 th HRDC Quarterly Meeting
9.	14 th December 2022	55 th HRDC Quarterly Meeting (Continuation)
10.	10 th January 2023	56 th HRDC Special Meeting
11.	7 th February 2023	57 th HRDC Special Meeting
12.	30 th March 2023	58 th HRDC Quarterly Meeting
	Total Number of Meetings Convened	12



CORPORATE GOVERNANCE REPORT

2.5 HRDC Board Meetings for the Financial Year 2022/23 (Continued)

Board Secretary

The Board Secretary ensures that HRDC observes the highest standards of corporate governance and compliance with the requirements of the HRDC Act and other relevant laws.

Board Remuneration

The Board members are paid sitting allowances per Board/Committee meeting in line with the rates prescribed by the Ministry of Finance as follows: Board Chairperson = P2 250 and Board Members = P1 800.

HRDC Board Meetings

The HRDC Board convened 12 times comprising six (6) scheduled Quarterly Board meetings and six (6) Special Board meetings.

HRDC Board Meetings Convened During the Financial Year 2022/23

Table 8: HRDC Board Members Attendance for the 2022/23 Financial Year

	HRDC Board Members	Total Number of Meetings Attended	Percentage Meetings Attended
1.	Ms Choice Pitso – Board Chairperson	12	100%
2.	Mr Bugalo L. Masole – Member	11	91%
3.	Mr Otlaabotsa D. Tsie – Member	9	75%
4.	Prof Annah A. Molosiwa – Member	12	100%
5.	Dr Andrew B. Molwane – Member	12	100%
6.	Ms Prescilla K. Gower – Member	10	83% (Resigned on 17/02/2023)
7.	Ms Mpho Leteane – Member	8	66%
8.	Mr Gokaiwamang M. Hetolang – Member	10	83%
9.	Mr Odirile Motlhale – Member	11	91%
10.	Prof Elisha N. Toteng – Member	10	83%
11.	Mr Nixon Marumoloa – Member	3 out of 3 meetings	Term of membership expired on 30 th June 2022
12.	Ms Goitseone N. Mosalakatane – Member	1 out of 3 meetings	Term of membership expired on 30 th June 2022
13.	Mr Meshack J. Tafa	10	83%
	Prof Alinah K. Segobye – CEO (Ex-Officio Member)	2	17% Appointed on 12 th January 2023



CORPORATE GOVERNANCE REPORT

2.5 HRDC Board Meetings for the Financial Year 2022/23 (Continued)

2.5.1 Board Committee Meetings

In the course and scope of discharging their mandate, the HRDC Board is empowered to delegate part of their duties to various subcommittees. Certain functions of the Board are facilitated through the five subcommittees guided by the Board Charter which dictates their membership, scope of authority, responsibilities, and duties. The subcommittees report to the main Board on quarterly basis or as and when there are special matters for consideration. During the reporting period, the HRDC Board subcommittees met as follows:

- **Finance and Audit Committee met six (6) times.**
- **Procurement Committee met four (4) times.**
- **Funding Committee met five (5) times.**
- **Human Resource Committee met seven (7) times.**
- **Human Resource Development (HRD) Planning Committee met four (4) times.**

Table 9: Finance and Audit Committee Meetings Convened During the 2022/23 Financial Year

	DATE OF MEETING	TYPE OF MEETING
1.	31 st May 2022	27 th HRDC Finance & Audit Quarterly Meeting
2.	1 st September 2022	28 th HRDC Finance & Audit Quarterly Meeting
3.	15 th November 2022	29 th HRDC Finance & Audit Quarterly Meeting
4.	24 th January 2023	30 th HRDC Finance & Audit Special Meeting
5.	23 rd February 2023	31 st HRDC Finance & Audit Quarterly Meeting
6.	24 th February 2023	31 st HRDC Finance & Audit Quarterly Meeting (Continuation)
TOTAL NUMBER OF MEETINGS CONVENED		Six (6)

Table 10: Funding Committee Meetings for the 2022/23 Financial Year

	DATE OF MEETING	TYPE OF MEETING
1.	24 th May 2022	29 th HRDC Funding Committee Quarterly Meeting
2.	14 th July 2022	30 th HRDC Funding Committee Special Meeting
3.	16 th August 2022	31 st HRDC Funding Committee Quarterly Meeting
4.	8 th November 2022	32 nd HRDC Funding Committee Quarterly Meeting
5.	22 nd February 2023	33 rd HRDC Funding Committee Quarterly Meeting
TOTAL NUMBER OF MEETINGS CONVENED		Five (5)



CORPORATE GOVERNANCE REPORT

2.5 HRDC Board Meetings for the Financial Year 2022/23 (Continued)

Board Committee Meetings (Continued)

Table 11: Human Resource Committee Meetings Convened During the 2022/23 Financial Year

	DATE OF MEETING	TYPE OF MEETING
1.	17 th May 2022	38 th HRDC Human Resource Committee Special Meeting
2.	1 st June 2022	39 th HRDC Human Resource Committee Quarterly Meeting
3.	14 th June 2022	40 th HRDC Human Resource Committee Special Meeting
4.	24 th August 2022	41 st HRDC Human Resource Committee Quarterly Meeting
5.	9 th November 2022	42 nd HRDC Human Resource Committee Quarterly Meeting
6.	11 th November 2022	42 nd HRDC Human Resource Committee Quarterly Meeting (Continuation)
7.	22 nd February 2023	43 rd HRDC Human Resource Committee Quarterly Meeting
TOTAL NUMBER OF MEETINGS CONVENED		Seven (7)

Table 12: Human Resources Development (HRD) Planning Committee Meetings Convened During the 2022/23 Financial Year

	DATE OF MEETING	TYPE OF MEETING
1.	23 rd May 2022	29 th HRDC Procurement Committee Quarterly Meeting
2.	12 th July 2022	30 th HRDC Procurement Committee Special Meeting
3.	15 th August 2022	31 st HRDC Procurement Committee Quarterly Meeting
4.	16 th November 2022	32 nd HRDC Procurement Committee Quarterly Meeting
TOTAL NUMBER OF MEETINGS CONVENED		Four (4)



CORPORATE GOVERNANCE REPORT

2.6 Chief Executive Officer's Report

Professor Alinah K. Segobye

Chief Executive Officer

Human Resource Development Council (HRDC)



I joined the Human Resource Development Council (HRDC) in January 2023 and found a dedicated team of Management and Staff.

Under the leadership of the Acting CEO, Mr Meshack Tafa, the team, and the Board had significantly advanced the mandate of the organisation to ensure we deliver on key tenets of our annual business plan. As the CEO, it is my honour to present the Annual Report 2022/2023 which was the first year of normalcy post COVID-19 pandemic. The pandemic not only

disrupted our lives but also changed our way of doing business including learning and skills development. The disruptions in technology also compounded the complexity in which we found ourselves operating. The role of the HRDC in ensuring Botswana gets back on track towards the aspirations of Vision 2036 cannot be underscored.

We contribute to the education ecosystem including ensuring skills development in the workplace is accelerated to ensure we contribute to Botswana becoming a knowledge-based society and economy.

Organisational Performance

This report presents the end of year performance for the organisation for the period 1st April 2022 to 31st March 2023 for the 2022-2023 Annual Business Plan. During this period, the organisation achieved on target 25 measures for the year, 6 measures reported as partially achieved whilst 14 measures reported as not achieved. This overall average performance level



CORPORATE GOVERNANCE REPORT

2.6 Chief Executive Officer's Report (Continued)

represents an achievement of 71%. The enactment of the Public Procurement Act in April 2022 without the attendant Regulations had a significant adverse impact on our ability to deliver as planned. The national rationalisation exercise of government Ministries and State-owned Enterprises also impacted on the organisation as key stakeholders and partners were affected by the changes. This notwithstanding, it is my pleasure to report that the HRDC was able to realise some of its key objectives for the year under review.

Governance

The Board under the leadership of the Chairperson Ms Choice Pitso was able to navigate the challenges of working remotely and virtually and supported Management to execute several key projects during the year. The diversity of skills among Board members ensured that they brought unique skills and experience to discussions that have proved invaluable to the business process of the HRDC.

Annual Review of the Priority Skills in Demand

During the year under review, the organisation continued to implement the Sector Human Resource Development (HRD) Plans in the following areas: Health, Tourism, Mining, Minerals, Energy and Water Resources, Manufacturing, Creative Industries and Agriculture. We reviewed priority skills in demand and the findings were shared with the Ministry of Education and Skills Development. We monitored trends of graduate unemployment and advised the Ministry on reforms within the education and training sector.

TVET Expo

In collaboration with GIZ, we organised the first Technical Vocational Education and Training Expo to create awareness among students and the public about the value of TVET. TVET is crucial for the diversification of skills in Botswana and contributes to empowering individuals, organisations, and communities. TVET can contribute to creating decent work for sustainable economic growth.

Dissemination of the Tertiary Education Statistics Report 2021

In collaboration with Statistics Botswana, HRDC released the annual Tertiary Education Statistics Report 2021 which provides a glimpse of the state of the Tertiary Education sector and its performance. It specifically creates awareness of the availability of such information with the hope that it will stimulate interest in the use of statistics for further research or to inform policy formulation and planning.

Launch of the Labour Market Observatory (LMO) Governing Body

We launched the inaugural Labour Market Observatory Governing Body in October 2022. The Committee comprises high-level officials from Government, the Private Sector and Civil Society. The LMO is responsible for monitoring and analysing the performance of the labour market in order to provide relevant, quality and timely labour market information for users to make informed decisions regarding the labour market situation in Botswana.



CORPORATE GOVERNANCE REPORT

2.6 Chief Executive Officer's Report (Continued)

Labour Market Information System (LMIS)

The Government of Botswana understands the pivotal role that a well-functioning labour market plays in ensuring social stability and promoting employment opportunities for Botswana. The HRDC is undertaking the development of the Labour Market Information System (LMIS) in partnership with several institutions including the Botswana Institute for Technology, Research, and Innovation (BITRI). The system will enable policymakers, employers, job seekers, educators, and researchers to access reliable and timely information on various aspects of the labour market. The project is expected to be completed in 2024.

Botswana Human Resource Development Skills Fair and Career Clinics

Due to the COVID-19 restrictions, the BHRDS Fair and Career Clinics were not held between 2020 and 2022. They were resumed in 2023. The BHRDS is one of HRDC's flagship activities which gives prospective tertiary education learners and service providers a platform to interact and opportunities for career guidance and counselling. The Fair provides an opportunity for stakeholder engagement; it is

our hope that it can reach more Botswana youth to support their career development. For communities and potential employers, the fair also provides an opportunity to reflect on skills development across the education and world of work value chains.

We offer this annual report to you to help us continue reflecting on how we can improve our service value proposition and continually renew our service ethic. As a customer-centric organisation, we take very seriously our responsibility towards you our valued client and stakeholder. We hope that you will give us feedback so that we can become the high performing organisation we aspire to be.

Professor Alinah K. Segobye
Chief Executive Officer
Human Resource Development Council (HRDC)



2.7 EXECUTIVE MANAGEMENT TEAM



Prof. Alinah K. Segobye
HRDC Chief Executive Officer



Mr. Meshack J. Tafa
Chief Operations Officer



Mr. Ralph Maganu
Director, Corporate Services



Dr. Fernando Siamisang
Director, HRDP-Demand



Dr. Tlamele Sekambo
Director, DSRDI



Ms. Doreen Kokorwe
Acting Director, HRDP-Supply



Mr. Mothusi Masole
Director, Funding



Mr. Keefentse Gaebowe
Director, Human Resources



Mr. John Vassiliadis
Director, ICT



Ms. Masingoaneng Ramodimoosi
Board Secretary



Dr. Matthews Phiri
Manager, Strategy Office



Ms. Agnes Phuthego
Manager, Internal Audit



Ms. Atlasoane Motshegwe
Manager, QMS



Dr. Faith Rapuleng-Tuelo
Manager, Stakeholder Relations



Picture courtesy of Botswana Tourism Organisation (BTO)



3.0

OPERATIONAL PERFORMANCE REPORTS

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OPERATIONAL PERFORMANCE REPORTS

3.1 Organisational Performance

The End of Year report on performance of the HRDC for the 2022-2023 Annual Plan for the period 1st April 2022 to 31st March 2023 is presented below. There was a total of 54 measures in the 2022/2023 annual plan and out of these, a total of 45 performance measures were reported on. The remaining 9 could not be implemented during the year under review due to internal resourcing and dependency on external enablers. Measures are key performance indicators as

regards achievements in implementation of projects or initiatives planned for the year.

In the 2022-2023 financial year, out of a total of 45 measures, the organisation achieved targets on 25 measures, 6 measures were partially achieved whilst 14 measures were not achieved. The overall average measure performance score stood at 71 percent. The pie chart below (Figure 2) is a graphic distribution of measure performance against the 2022-2023 targets.

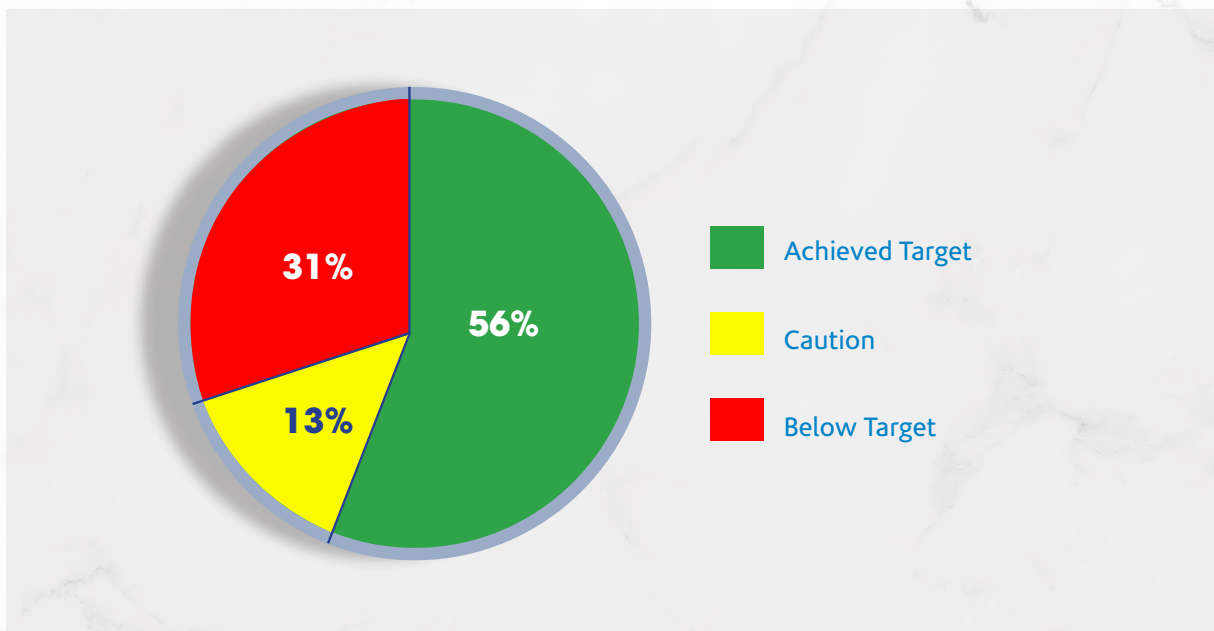


Figure 2: Distribution of organisational performance for the 2022/23 financial year

Performance highlights

The following are highlights of performance on the 2022-2023 HRDC Annual Plan.

- The Labour Market Observatory (LMO) Governing Body was launched by His Honour the Vice President on the 11th of October 2022. Activities to operationalise the governing body have commenced. These include induction of members on the Terms of Reference and development of work plans.
- The rollout of the Content Management Strategy has been completed and is being implemented. Content collection and preparation is ongoing. Initial content has been submitted to the developer to facilitate system designs.
- The draft Human Resource Development Fund (HRDF) regulations have been completed.



OPERATIONAL PERFORMANCE REPORTS

3.2 Determining Demand for Human Resource Development

The report gives progress update for the key human resource development initiatives undertaken during the 2022/2023 financial year.

Introduction

The key function of the Council as outlined in objective 4(1) of the HRDC Act of 2013 is to develop national and sectoral Human Resource Development (HRD) plans. The key initiatives for the 2022/2023 financial year included but were not limited to the following:

- Dissemination of the Creative Sector HRD Plan
- Promoting implementation of the Sector HRD Plans
- Conducting annual review of the priority skills in demand and

- Conducting a pilot project on opportunities for exporting skills.

Through these initiatives, the aim is to produce a globally competitive human resource to ensure that the country has relevant and competitive human resource who can adapt to changes caused by technological disruptions and other socio-economic changes. In this regard, we present the progress update of the Key Performance Areas (KPA) contributing to the development of globally competitive human resource as outlined in Table 13.

Table 13: Key Performance Area(s) for a Globally Competitive Human Resource

TOWARDS A GLOBALLY COMPETITIVE HUMAN RESOURCE			
VISION 2036 NDP 11 & 12 SECTORAL STRATEGIES	RELEVANT AND COMPETITIVE HUMAN RESOURCE	SECTOR HRD PLANS ANNUAL SKILLS REPORT	
KEY PERFORMANCE AREAS (KPA)			
KPA 1: Relevant Education and Training	KPA 2: Graduate Employability	KPA 3: Exporting Skills	KPA 4: Skilled Workforce

KPA 1: Relevant Education and Training

HRDC reviews the **priority skills in demand** on an annual basis and shares them with Education Training Providers, Workplaces and Department of Tertiary Education Financing to ensure that the training provided is relevant and meets the demands for the industry. The analysis of the skills in demand shows that

there are emerging digital and green skills which are increasingly in demand across different sectors in Botswana. Furthermore, some jobs are slowly becoming redundant as their demand is slowly decreasing as illustrated in Figure 3.



OPERATIONAL PERFORMANCE REPORTS

3.2 Determining Demand for Human Resource Development (Continued)

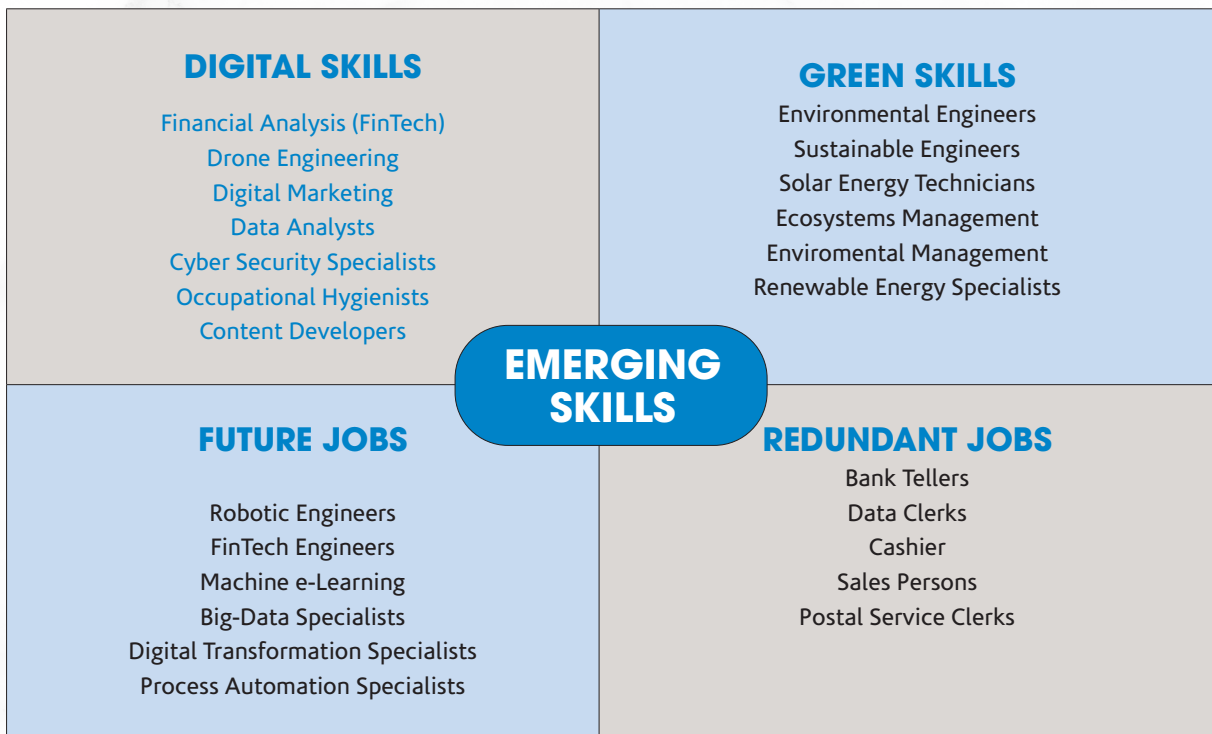


Figure 3: Emerging Skills and Jobs in Botswana

The progress update of the Key Performance Indicators (KPI) used to track the relevance of education and training as at 2022/2023 academic year are:

- KPI 1.1: Percentage of accredited programmes aligned to priority skills: 56 Percent
- This was an increase of only 1Percent from the 2021/2022 academic year.
- KPI 1.2: Percentage of students enrolled in priority areas: 53 Percent
- This was an increase of only 2 Percent from the 2021/2022 academic year.
- KPI 1.3: Number of new accredited programmes developed: 25 programmes.

There has been a backlog in the accreditation of new programmes since 2020 hence most of the new programmes started in 2022/2023 academic year with several private universities beginning to offer programmes at post graduate level, especially doctorate degree.



Image: BHRDS Fair and Career Clinics 2023.



OPERATIONAL PERFORMANCE REPORTS

3.2 Determining Demand for Human Resource Development (Continued)

KPA 2: Graduate Employability

Graduate unemployment in Botswana has been inordinately high for several years and is one of the country's major socio-economic challenges. HRDC continually monitors the trends of graduate unemployment and advises on reforms on education and training that will yield improved graduate outcomes. The current trends derived from the 2022 Quarterly Multi-Topic Survey (QMTS) are as follows:

- **KPI: Number of unemployed graduates: 65 512**

This is an increase of 19.7 Percent from 50 138 as at 2021-Q4(Statistics Botswana, QMTS, 2021).

The Finance and Business field still has the largest number 14 356 of unemployed graduates. The Science Technology Engineering and Mathematics (STEM) field which in the past experienced skills shortages and therefore prioritised in VISION 2036 is now experiencing saturation of employment opportunities. Currently, it has the third largest number 8 976 of unemployed graduates.

Given the low rate of job creation, there is need to diversify graduate pathways that will enhance better graduate outcomes. There is need for a shift from basing our education and training mainly on employment to focusing more on using STEM to come up with new technologies to provide solutions to unlock value chain development. This can be possible through increasing funding opportunities for research development and innovation at the universities, research and innovation centres and workplaces. Furthermore, these innovations will be commercialised and will give graduates opportunities to venture into entrepreneurship.

KPA 3: Exporting Skills

HRDC in partnership with the Department of Tertiary Education Financing (DTEF) conducted a pilot project on opportunities for exporting skills in September

2022. DTEF provided some of the data on Botswana who were sponsored by Government both locally and externally but have since found employment in other countries. However, data provided by DTEF was limited as they do not conduct regular tracer studies on graduates who were trained externally but rely on those who declare information on their employment status. Data was also collected from employment agencies who provide information on employment opportunities around the world.

The analysis shows that 17 Top Achievers successfully completed their Bachelor's degree and Post Graduate degrees during the 2021/2022 academic year. The 9 Top Achievers have successfully found employment in Europe, America, and Asian Countries. These Top Achievers were enrolled in different cohorts and the other Top Achievers are still continuing with their studies.

The Health Sector is exporting more skills than other sectors. As at September 2022, a total of 60 nurses with various qualifications ranging from Diploma to Master's degree have been recruited from Botswana and are placed in various UK Government-owned Health Facilities.

KPA 4: Skilled Workforce

The World Competitiveness Ranking (2022) released the results of 63 countries who were ranked on availability and readiness of skills as shown in Table 14 on the next page. The results indicate that Botswana has a potential of attracting foreign direct investment and exporting skills as we are ranked 38 in skilled labour out of 63 countries who participated in the survey. However, the country needs to improve on other areas as indicated in the rankings.



OPERATIONAL PERFORMANCE REPORTS

3.2 Determining Demand for Human Resource Development (Continued)

Table 14: Botswana World Talent Ranking 2022

Skills Readiness		Value	2022 Rank
Labour force growth	percentage change	-0.30%	45
Skilled labour	readily available	4.92	38
Finance skills	readily available	4.72	57
International experience	of senior managers is generally significant	4.98	45
Competent senior managers	readily available	5.10	37
Primary & secondary education	meets needs of competitive economy	4.62	48
Graduates in Sciences	% graduates- ICT, Engineering, Maths, Science	18.51	52
University education	meets the needs of a competitive economy	5.12	48
Management education	meets the needs of the business community	5.18	50
Language skills	are meeting the needs of enterprises	6.03	39
Student mobility inbound	foreign tertiary level students per 1000 inhabitants	0.50	53
Educational assessment-PISA	PISA survey of 15-year-olds	-	-

Source: IMD World Competitiveness Yearbook 2022, Digital 2022

Stakeholder Consultation and Partnerships

HRDC participated in the Cybersecurity Conference in January 2023 and presented on the importance of developing digital skills from Basic Education in order to give a strong foundation to development of future skills in the digital economy. The conference brought together ICT Practitioners and Education Training Providers who committed to future smart

partnerships in developing digital skills. The British Council is working in partnership with HRDC and the Department of Skills Development to develop a conceptual framework to guide the development of green skills in Brigades and Technical and Vocational Institutions. The green skills framework was presented to the Ministry of Education and Skills Development in February 2023.



Images: Stakeholder consultations on the Creative Industry and Tourism Industry Sector plans.



OPERATIONAL PERFORMANCE REPORTS

3.3 Coordinating Supply of Human Resource Development

The Human Resource Development Planning Supply Department is mandated to undertake continual empowerment of its constituents by providing comprehensive training and support. It focuses on fostering the following key areas:

- Institutional planning,
- Work skills training and planning,
- Student support and
- Undertaking Non-Credit Bearing Short Courses (NCBSCs).

Development of Institutional plans

During the past planning period (2022/2023), HRDC continued to support the development, implementation, and review of institutional plans as a way of ensuring that institutions produce skills that meet the needs of the industry and the economy. As at the end of the 4th quarter 2022/2023, 60 institutions out of a total of 75 had submitted their plans, including TVET institutions.

Institutional Planning Framework Review

The Institutional Planning Frameworks (University level and Non-University level) were developed in 2014 following a consultancy called Higher Education Management Africa (HEMA), facilitated by a Reference Group composed of HRDC officers and representatives from the Tertiary Education Institutions (TEIs).

Public Universities and non-universities are governed differently hence two separate frameworks were developed and implemented. The implementation involved consultative meetings as well as collaborative ventures through capacity building

workshops on institutional planning with all tertiary education institutions and TVET institutions. To date 39 TEIs and 36 Brigades have developed institutional plans and are being implemented. The Institutional Planning frameworks are reviewed every 5 years.

It is on the basis of the foregoing that HRDC is embarking on the review of the Institutional Planning Frameworks. The review of the Institutional Planning Frameworks is work in progress and as such the consultative process has just started. HRDC is currently assessing the impact of the IP Frameworks on the whole eco-system of the Education and Training Landscape.

Workplace Learning: Monitoring the Evaluation Support Visits

HRDC capacitated workplaces in Francistown, Kasane, Maun and Jwaneng. A total of 105 workplaces were capacitated against a target of 120. Out of the 105 workplaces capacitated, the Council managed to conduct the monitoring and evaluation support visits in Francistown, Kasane, Maun and Jwaneng. To-date, 53 percent of workplaces were supported in the reporting period. See Figure 4.



OPERATIONAL PERFORMANCE REPORTS

3.3 Coordinating Supply of Human Resource Development Report (Continued)

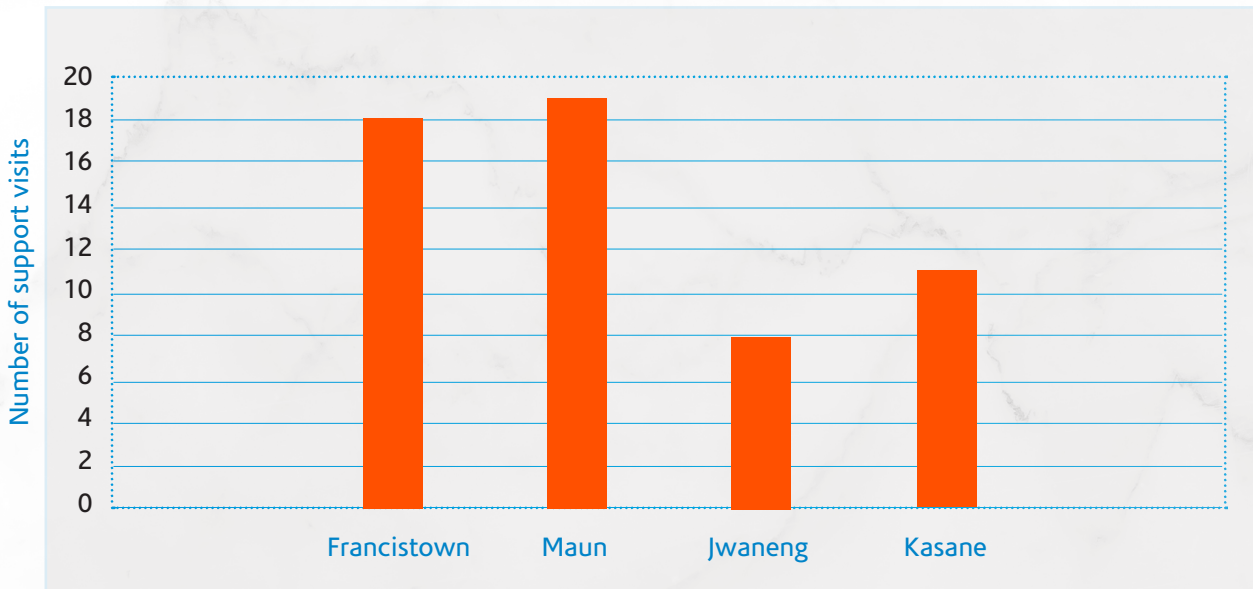


Figure 4: Monitoring and Evaluation Exercise Participation by Workplaces

National TVET Exposition:

The National TVET Exposition was to engage stakeholders to showcase the various vocational and technical training that happens in the Technical Vocational Educational and Training sub sector. Exhibitors were drawn from both public and private tertiary education institutions across the country. The exposition took 2 days in Francistown. The goals of the TVET Expo were set as follows:

- To create awareness among prospective learners, unemployed youth and the already working group about the value of TVET as a viable career option.
- To create dialogue related to preparing learners for a future that lays premium on skills and entrepreneurial mindset.
- To engage key stakeholders and discuss issues pertaining to provision of TVET in Botswana. GIZ joined hands with HRDC as a 'key partner' to drive the TVET objective under their just ended

project "Strengthening Employment Relevant TVET II – (SERT II)". GIZ supported the Expo through funding as well as by contracting Botswana Educational Research Association (BERA) to do the monitoring and evaluation and the remuneration of the data collectors. Others that played a critical role include the Department of Teacher Training and Technical Education (DTT&TE) who sponsored the event.

Botswana Human Resource Development Skills Fair and Career Clinics (BHRDS) Overview 2022/2023

As one of HRDC's flagship activities the BHRDS plays a crucial role of sharing information particularly with primary beneficiaries, who are prospective tertiary education learners. It is a strategic one-stop shop informed by ideals of the National Human Resource Development Strategy (2009-2022) that seeks to align training needs with the country's labour market demands.

OPERATIONAL PERFORMANCE REPORTS

3.3 Coordinating Supply of Human Resource Development (Continued)

The BHRDS seeks to assist learners to develop their career aspirations and plan proactively for their future. HRDC creates a platform on an annual basis where learners from all walks of life convene in designated areas for a one-to-one meeting with local and international training institutions, which

converge to show-case and market their programmes. The career fair witnessed an impressive turnout with attendees from different venues showing great enthusiasm. The 2022/2023 Fair attracted close to 10,000 young people from the different corners of the country, as indicated in Figure 5 below.

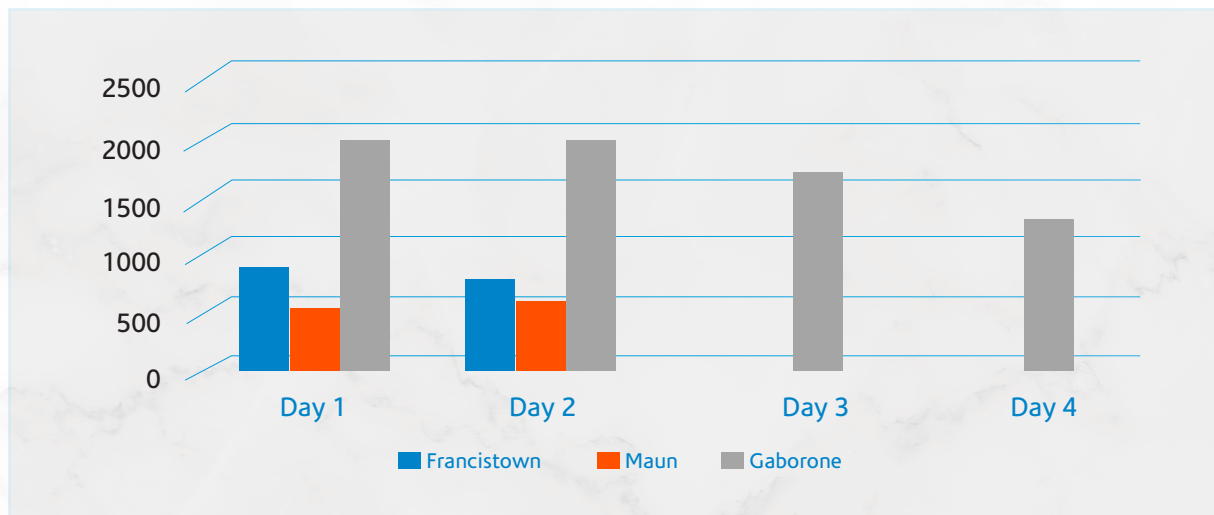


Figure 5: BHRDS Fair and Career Clinics attendance by Venue

BHRDS Exhibitor participation

The exhibitors included TEIs (local and international), government agencies, professional bodies, and NGOs. In Francistown there were 38 exhibitors, 39 in Maun and 54 in Gaborone. The BHRDS also attracted exhibitors from South Africa, Zambia, Mauritius and Russia.



OPERATIONAL PERFORMANCE REPORTS

3.3 Coordinating Supply of Human Resource Development (Continued)

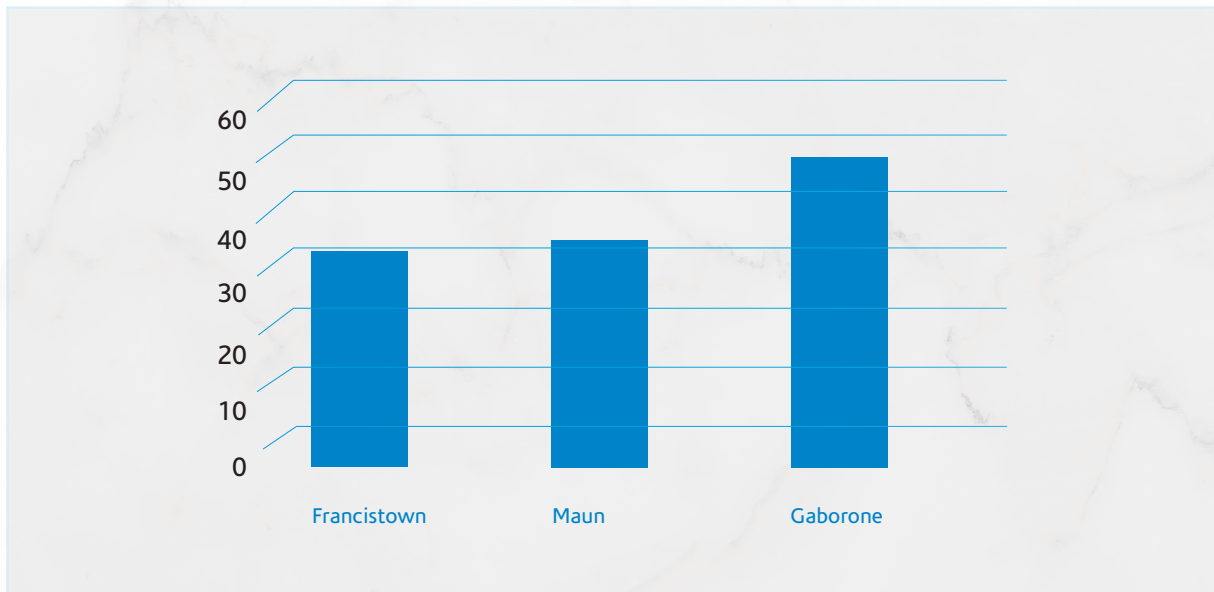


Figure 6: BHRDS Fair & Career Clinics Total Number of Exhibitors

Student Representative Council Leadership Capacity Building Workshop

Over the past years, all the trainings considered participants from higher education institutions. During the reporting period, the HRDC deliberately chose to consider TVET student representatives in line with the country's efforts to invest in and revitalize TVET. This training, therefore, helped student leaders to interrogate and reflect on their roles as part of leadership in the ongoing dialogue of revitalizing TVET. A total of 33 participants out of 36 TVET institutions attended.

Non-Credit Bearing Short Courses (NCBSCs) Function

HRDC is responsible for recognising Non-Credit Bearing Short Courses (NCBSCs) which is one of the initiatives that drive the organisation's strategic objective of attaining a competitive workforce. NCBSCs facilitate skills training and development in

the workplace. This assignment involves receiving applications and processing them for recognition. Education and Training Providers that develop and submit applications for recognition to HRDC are those with valid Registration and Accreditation from BQA.

In the 2022/2023 performance period, a total of 1402 applications were received constituting 673 new courses and 729 renewals for the period 1st April 2022 to 31st March 2023. This is illustrated in Table 15.

Submitted Applications by ETP Category

Submissions from Consultancy ETPs Category continue to significantly dominate the other three categories in both New Applications and Renewal Applications as illustrated in Table 15.



OPERATIONAL PERFORMANCE REPORTS

3.3 Coordinating Supply of Human Resource Development (Continued)

Table 15: Number of Applications by ETP Category

Category	New Courses	Renewal Course	Total
Consultant	486	522	1008
Public Conventional	51	56	107
Private Conventional	97	95	192
Workplace	39	56	95
Total	673	729	1402

Submission of Applications by Fields of Learning

Business, Commerce and Management Studies dominated other Fields throughout the performance period with annual submissions of 650 applications.

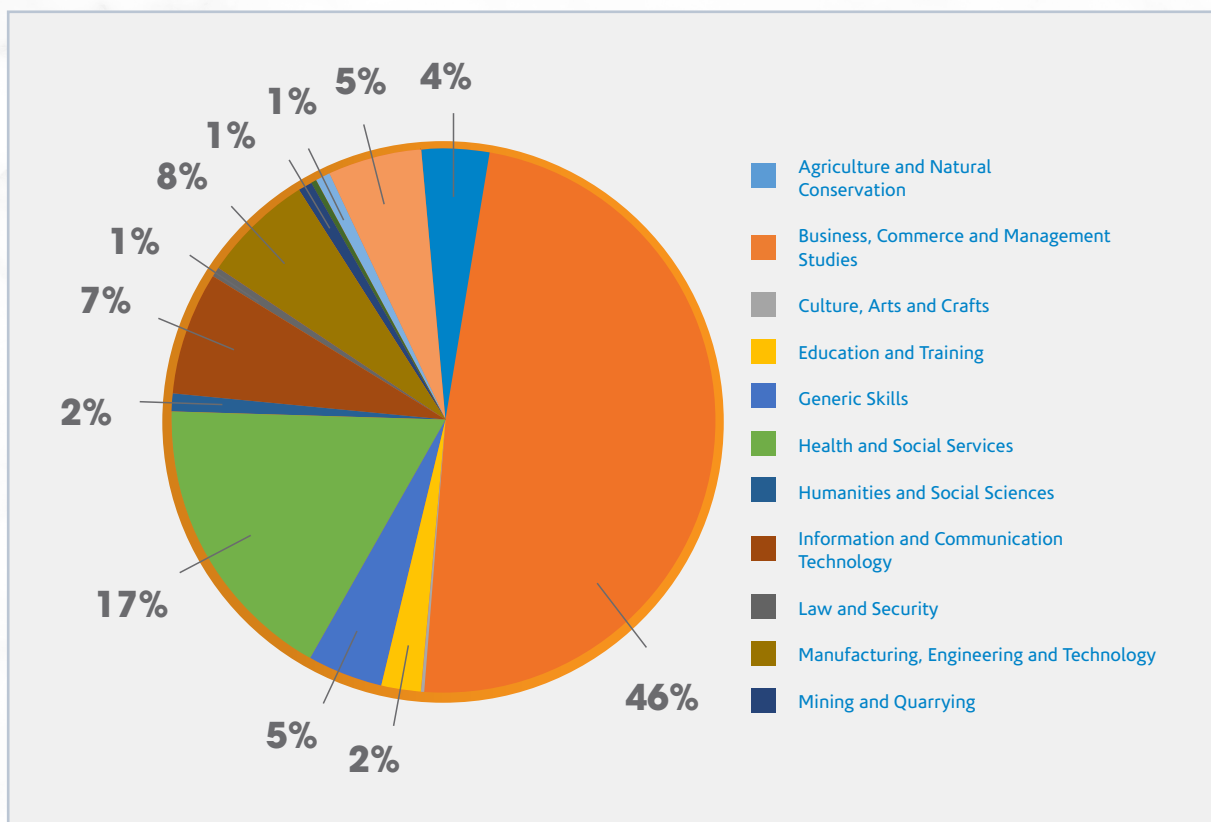


Figure 7: Fields of learning



OPERATIONAL PERFORMANCE REPORTS

3.3 Coordinating Supply of Human Resource Development (Continued)

Figure 7 depicts how Field of Learning: Business, Commerce and Management Studies dominated submissions at 46 percent, which is almost half of the annual submissions. This is followed by Health and Social Sciences at 17 percent and the rest are less than 10 percent.

Recognition of Applications

Approval of Processing Team Recommendations is done by the Vetting Committee, which is the oversight body that makes final Recognition Decisions and issues Decision Letters as feedback to the ETPs. 1253 short courses were recognised in the annual reporting period 1st April 2022 to 31st March 2023.

Monitoring and Evaluation

Further to capacitation, ETPs with Recognised Courses are obliged to ensure compliance to NCBCS guidelines. To that effect, HRDC has provision for Post Recognition Monitoring and Evaluation (M&E) visits to ascertain that ETPs continue to comply with the requirements.

NCBCS Unit conducted Monitoring and Evaluation and Technical Support to 17 out of a target of 20 sampled Education and Training Providers in Gaborone. This translates to an outreach of 80 percent. The 20 percent that could not honour the team's appointments were due to their tight training schedules, as it was towards the end of the training period. There were no major findings.



Image: BHRDS Fair and Career Clinics 2023 in Gaborone.



Image: TVET Expo 2022 in Francistown.



Image: NCBCS Capacitation Workshop in Gaborone in 2022.



Image: SRC Leadership Training in Mmopane in 2023.



OPERATIONAL PERFORMANCE REPORTS

3.4 Funding Workplace training and Skills Development

Background

The Human Resource Development Council (HRDC) is mandated to manage the Human Resource Development Fund (HRDF). The HRD Fund is a levy-based Fund established in 2008 to promote workplace learning. The HRD Fund generates income primarily from the levy, enforced through the Vocational Training (Levy) Order. The HRDF was established as an incentive to encourage employer participation in training employees with the aim of providing sufficient funds to support skills training in Botswana. The main objectives of the HRDF are:

- To motivate enterprises to train their staff
- To increase skills base at the workplaces
- To help bring together supply and demand for training
- To create new opportunities in the training market
- To support the goal of cost-sharing in skills development in Botswana.

Performance of the Fund

Levy Collection

The Levy collected during the financial year 2022/2023 was BWP422,319,346. This represented an increase of 19 percent from the previous year. The increase could partly be attributed to recovery from COVID-19 effects and price increases on goods and services.

Financing of Human Capital Development

During the year under review, companies continued to use the HRD Fund to support workplace learning. The effectiveness of the HRD Fund in promoting skills development is measured by the rate of utilisation as well as the effectiveness of the HRD Fund in responding to the client's applications for reimbursement.

a. Fund Utilisation Rate

For the year under review, training reimbursement claims including administrative costs amounted to BWP249,670,633 which represented a 22 percent increase from the previous year. The number of reimbursement claims received during the financial

year 2022/2023 were 2 845, reflecting a 24 percent increase from the previous year. It is evident that the number of claims as well as the level of uptake has increased as companies continue to recover from the effects of the COVID-19 pandemic.

b. Learners Trained.

During this reporting period, 37 142 learners were trained in soft skills and apprenticeship programmes. Of this, 48 percent of the training was skewed towards training in generic courses followed by Health and Social Services. Generic courses include customer service-related training, communication, emotional intelligence, performance management and other related trainings. This is probably because they were predominantly one-day short courses which were preferred as they have minimal impact on the perceived loss of production in the workplace. HRDC continues to encourage organisations to pursue a balanced approach between generic and technical skills training.

Risk Management

HRDC recognises the importance of risk management owing to the fact that by nature, a Fund is susceptible to fraud. Efforts have been made to strengthen internal controls. Some of the tools applied included segregation of duties, risk profiling and a risk assessment model, all of which are continuously deployed to identify incidences of fraud. HRDC launched the Whistle Blowing Hotline which will go a long way in the fight against fraud.

Future Developments

a. Comprehensive Review of the HRD Fund

Owing to the changing dynamics in the workplaces, alongside the aspirations to transform from a resource-based to a knowledge-based economy, the model of the Fund has been reviewed to assess issues of accessibility and inclusiveness in funding of human capital initiatives. Following the review, the Council initiated the review of the legislative environment to align to the aspirations echoed in the review report.



OPERATIONAL PERFORMANCE REPORTS

3.4 Funding Workplace training and Skills Development (Continued)

b. HRDF System

Procurement of the new system has commenced. Tender evaluation is ongoing after which the identified Supplier will be awarded the job of designing, developing and implementation of the new system. The project is anticipated to take a period of 15 months. The new system, also referred to as the e-HRDFS once completed, is expected to address the shortcomings noted from the current system with updated, modern, and real-time functionalities and improved security protocols. Furthermore, it will speed up the claims management processes thus leading to reduced turnaround times of submission and assessment of costs. The system is expected to host the Call Centre Software (CCS) and Customer Communications Module (CCM), Online Reimbursement Application Software (ORAS), e-filing module, interface of payment and revenue collection as well as risk management modules.

c. Code of business practice

A project on the development of the HRDC Code of Business Practice was initiated towards the end of the previous financial year and anticipated to be completed during 2023/2024 financial year. The project came into being in line with Section 35 of the HRDC Act which empowers the Council to issue a Code of Business Practice or guidelines or make reference to approve any other Code of Business Practice applicable to guide stakeholders in their dealings with the Council.

The development of the Code of Business Practice is a commitment by the Council to build a culture of ethics and professionalism not only among the employees, but also to ensure that all other stakeholders who deal and interact with the Council do so under acceptable business principles.

Challenges

Some challenges encountered in administering the Fund included the following:

- Random training by levy payers that is not guided by approved workskills training plans as required.
- Exorbitant pricing of programmes by training providers
- Fraud related activities

These challenges are endemic to the HRD Fund particularly emanating from the model of the HRD Fund. HRDC continues to manage them through the introduction of proactive measures such as stringent preventative internal control mechanisms, legislative reviews, process reviews and introduction of new system technologies.



Image: Skill Development in action.





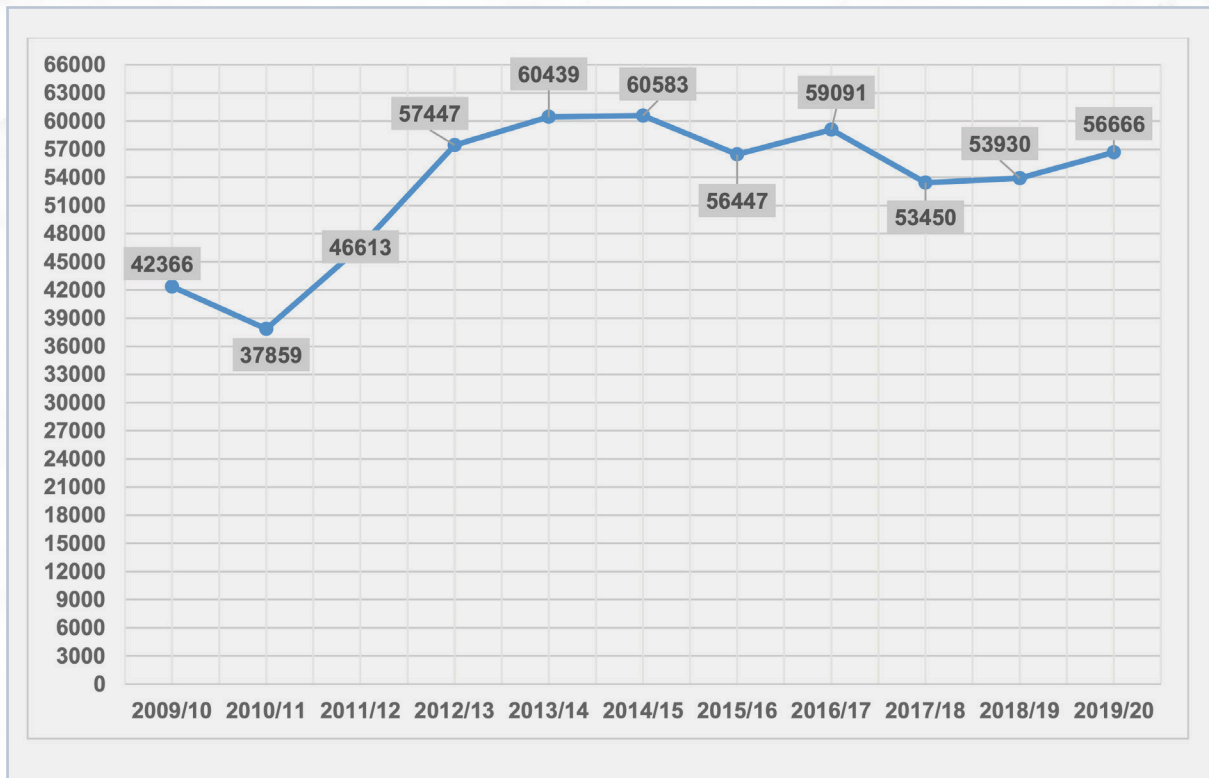
OPERATIONAL PERFORMANCE REPORTS

3.5 Data Management Research & Innovation

2021 Tertiary Education Statistics Report

The Human Resource Development Council (HRDC) conducts the Tertiary Education Institutional Census on an annual basis. This institutional census exercise is instrumental in the establishment of the National Education and Skills database. Annual tertiary education indicators are generated through this census and are used to assess and monitor the implementation of the sector’s policies and programmes, more specifically those geared towards the development of relevant and globally competitive human resource for Botswana. Furthermore, these indicators provide a base for regional and global

benchmarks as well as monitoring and evaluation of the country’s Sustainable Development Goals. The 2021 Tertiary Education Statistics Report is a summary of the tertiary education landscape and provides a snapshot on key statistics and indicators for 2020/2021 academic year, and is derived from a total of 80 Tertiary Education Institutions, 44 Higher Education Institutions and 36 Vocational Technical Centres including Brigades. Key highlights of the report indicate a growth in tertiary education enrolments from 56,666 in 2020 to 61,157 in 2021, a significant increase of 7.9 percent. Figure 8 below is the summary of tertiary enrolment trends for the past 11 years.



Source: Higher Education Institutions 2020/21

Figure 8: Tertiary Enrolment Trends 2009 - 2021

OPERATIONAL PERFORMANCE REPORTS

3.5 Data Management Research & Innovation Report (Continued)

90 percent of the 2020/2021 students' population were enrolled at undergraduate level. Post graduate programmes account for only 10 percent of the students' population. Females constituted the

majority of the students' population. Table 16 is a summary of the 2021 enrolment by sex and level of qualification being studied for.

Table 16: 2021 Tertiary Enrolment by qualification

Level	Female	Male	Total	% Female
Trade Test C	2,000	4,048	6,048	33.1
Trade Test B	15	79	94	16.0
Certificate	1,645	1,189	2,834	58.1
Diploma	8,723	3,996	12,719	68.6
Bachelor's Degree	20,818	14,848	35,666	58.4
Post Graduate Diploma	116	96	212	54.7
Master's Degree	1,507	1,198	2,705	55.7
Doctor of Philosophy	78	139	217	35.9
Professional Qualifications	411	239	650	63.2
Other	4	8	12	33.3
Total	35,317	25,840	61,157	57.7

Source: Tertiary Education Institutions 2020/21

The 2021 Gross Enrolment Ratio was 21.0 percent, a slight increase of 1.5 percent from the previous academic year. Similarly, the 2021 net enrolment

ratio was 12.2 percent. Figure 9 on the next page shows the Botswana's Gross Enrolment Ratio in tertiary education trends over the past 10 years.



Image: Dissemination of the 2021 TE Statistics Report in 2023.

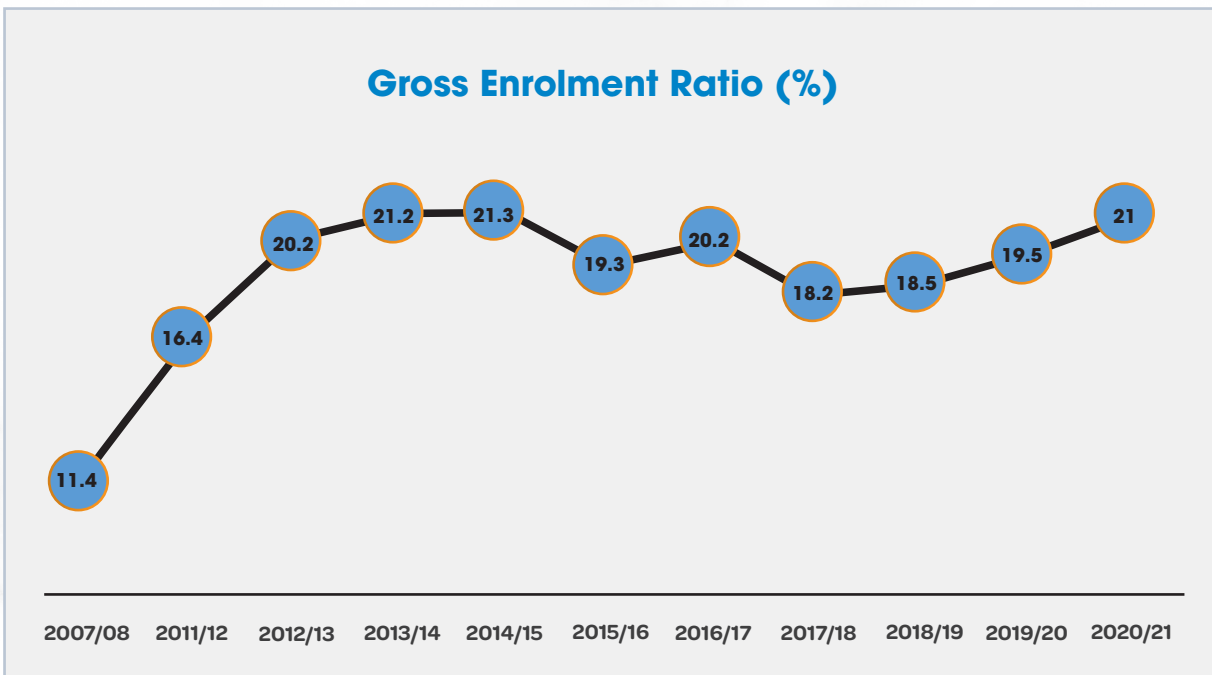


Image: Launch of the LMO Governing Body in 2022.



OPERATIONAL PERFORMANCE REPORTS

3.5 Data Management Research & Innovation Report (Continued)



Source: Tertiary Education Institutions 2020/2021 and 2020 Tertiary Education Report

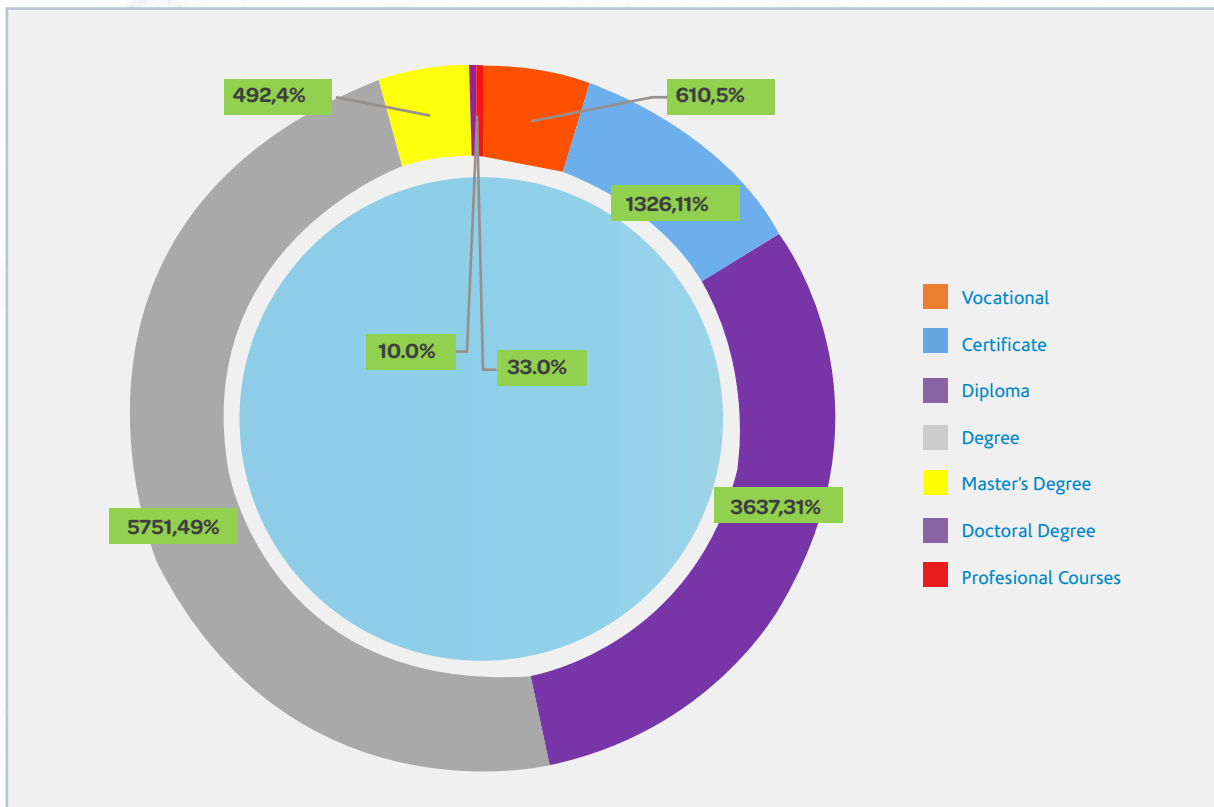
Figure 9: Trends of Gross Tertiary Enrolment Ratio 2007/2008 - 2020/2021

Tertiary Education Graduates

There was a total of 11,859 tertiary education graduates in 2020. This number translated to a graduation rate of 81.6 percent. The graduation rate had decreased by 0.5 percentage points from 82.1 in 2019.

OPERATIONAL PERFORMANCE REPORTS

3.5 Data Management Research & Innovation Report (Continued)



Source: Tertiary Education Institutions 2020/21

Figure 10: 2020 Graduates by level of Qualification

Development of the Botswana Labour Market Observatory (LMO) and Labour Market Information System (LMIS)

Government recognises the pivotal role that a well-functioning labour market plays in fostering growth, ensuring social stability, and promoting employment opportunities for its citizens. The labour market is an intricate web of interactions between job seekers, employers, and various stakeholders. To navigate this landscape effectively, Botswana must have accurate and up-to-date information that provides insights into labour supply and demand, skills gaps, industry trends, and employment opportunities. It is this need that has

led Government to embark on the development of a robust Labour Market Information System through the Human Resource Development Council (HRDC).

HRDC is undertaking the development of the Labour Market Information System in partnership with Botswana Institute for Technology, Research, and Innovation (BITRI), in support of local procurement and in-country capacity building. The project is underway with some modules already functional. It is expected to be completed in October 2024.

OPERATIONAL PERFORMANCE REPORTS

3.5 Data Management Research & Innovation Report (Continued)

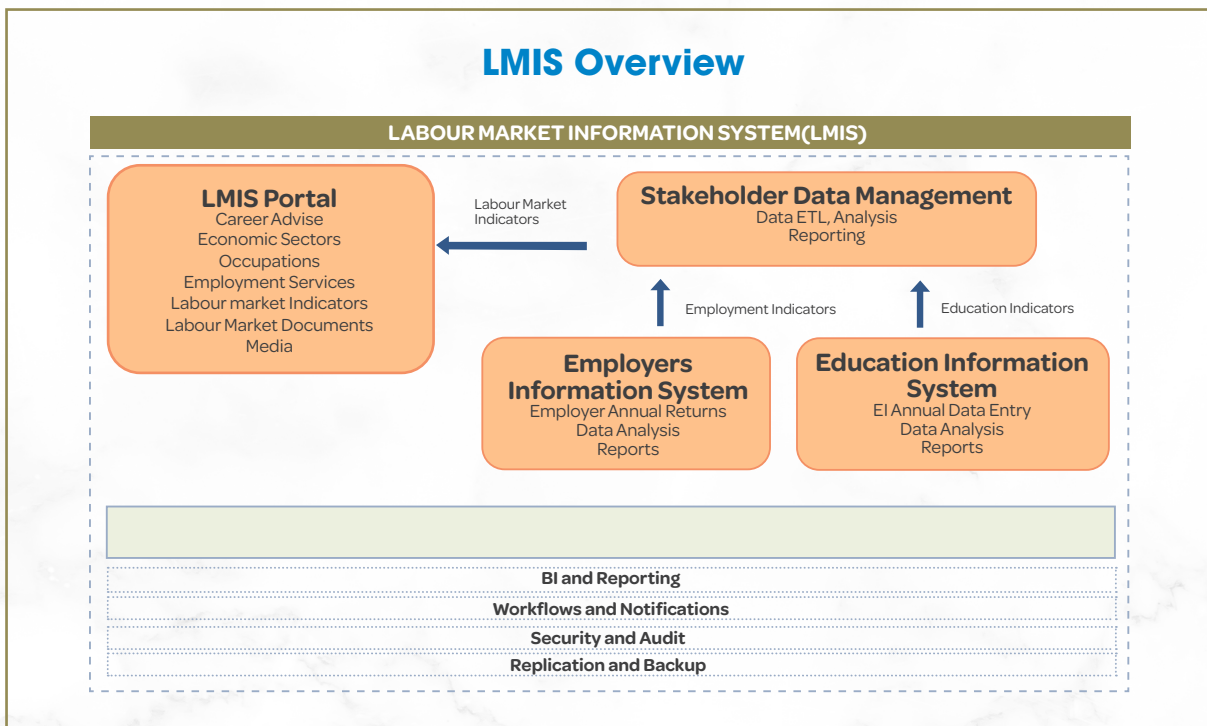


Figure 11: LMIS Overview

The Labour Market Information System will serve as a comprehensive and centralised platform that consolidates data from multiple sources. It will enable policymakers, employers, job seekers, educators, and researchers to access reliable and timely information on various aspects of the labour market. By providing a rich tapestry of insights, the system will facilitate informed decision-making, strategic planning, and evidence-based policy formulation. One of the key components of the Labour Market Information System will be its ability to collect real-time data on job vacancies, skills requirements, and workforce characteristics.

This data will allow the country to identify emerging job sectors, anticipate skill shortages, and align training programs accordingly. By empowering job seekers with accurate information on employment opportunities and the skills in demand, it will enhance

their employability and reduce the mismatch between skills and job openings.

The Labour Market Observatory

The number of countries establishing Labour Market Observatories (LMOs) the world over is on the rise. This has been prompted by the need for well-informed employment and skills development policies. The LMOs are established, among others, to identify and analyse labour market trends and challenges both nationally and regionally. They carry out analysis and monitoring of trends in labour supply and demand to identify skills mismatches and provide for strategic policy interventions.

Successful LMOs are responsive to demands of their clients and provide information tailored to their needs. LMOs are strategic institutions aimed at producing systematic information on labour market



OPERATIONAL PERFORMANCE REPORTS

3.5 Data Management Research & Innovation Report (Continued)

conditions with a view to facilitate labour market stakeholders to make informed decisions affecting the demand and supply of skills. They bring together key stakeholders to ensure effective management of labour market information to inform employment policies and programmes.

In light of the above, the Government of Botswana launched its inaugural Labour Market Observatory Governing Body in October 2022. The committee comprises high-level officials from Government, the Private Sector and Civil Society. It is responsible for monitoring and analysing the performance of the labour market in order to provide relevant, quality, and timely labour market information for users to make informed decisions regarding the labour market situation in Botswana. Specifically, it has been constituted to perform the following:

- To advise labour market stakeholders on trends concerning labour supply and demand as well as related socio-economic phenomenon and further provide timely information on labour market trends.
- To convene forums with a view to stimulate discussions on topical labour market issues by various labour market stakeholders.
- To produce pro-active investigative / evaluative reports and studies on selected topics including analysis of cross-cutting labour market issues and suggest possible remedies.

The output of the LMO Governing Body includes a range of reports, data sets, and other information products that provide insights into the state of the labour market and its dynamics.



Image: His Honour the Vice President of Botswana Mr. Slumber Tsogwane, Minister of Education and Skills Development Honourable Dr. Douglas Letsholathebe, Minister of Labour & Home Affairs Honourable Ms Annah Mokgethi, HRDC Board Chairperson Ms. Choice Pitso and the Labour Market Observatory (LMO) Governing body Members at the launch in 2022.



4.0

ENABLING ENVIRONMENT REPORTS

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4.2	Stakeholder Engagement Report	52
4.3	Human Resources (HR) Report	53
4.4	Corporate Budget and Expenditures Report	54



ENABLING ENVIRONMENT REPORTS

4.1 Information and Communication Technology

The Department of Information Communication Technology (ICT) is mandated to address the establishment of sustainable Information Technology (IT) solutions that enable departments and units to effectively and efficiently discharge the mandate of the organization. It continually assesses the organisations operations, identifying areas with a potential for service improvement, to ensure the organisation continues to leverage ICT in alignment with the corporate strategy.

Achievements

ICT Strategy Implementation

The Council has developed the HRDC ICT Strategy and continues to implement its approved initiatives in alignment to the prioritised annual business plan.

Initiatives around Infrastructure resilience

To achieve business continuity (BC) in times of disruptions, HRDC continues to ensure availability of Disaster Recovery solutions. BC is addressed through security, redundancy, replication, remote site and backups.

Overall systems improvements and network security were enhanced to ensure HRDC assets are resilient and secure, thus enhancing availability of services. The wired and wireless network were redesigned and refreshed, ensuring better coverage, speed, capacity, and security, coupled with the implementation of a building access control solution.





ENABLING ENVIRONMENT REPORTS

4.2 Stakeholder Engagement Report

Stakeholder Relations Report

The role of the Stakeholder Relations Unit is to support the organisations departments in the implementation of the Strategic Plan 2021-2026. Additionally, the Unit was tasked with strengthening media relations, brand management, event management, corporate communications, corporate social responsibility plan and stakeholder relationship management amongst others.






a) Development of the Communications Strategy

During the year under review, the Unit developed the first Communication Strategy of the organisation whose objective it is to provide guidance on the execution of internal and external communications. This is a three-year strategy.

b) Corporate Social Responsibility (CSR)

Due to budgetary limitations, HRDC was only able to support the Peolwane (Block 7) Village Development Committee (VDC) for their Independence Day celebrations on the 30th of September 2022 with P5000 as well as a neighbourhood Clean-up Campaign.

c) Use of Social Media

 61 893	 5 800	 283
 4 100	 16	

We continued to use our social media platforms to communicate with our stakeholders. These include Facebook, LinkedIn, and Twitter accounts. Post the

COVID-19 pandemic, the platforms have made us more accessible to stakeholders who may not be able to visit our office physically.

d) Publications

In an effort to ensure our publications are accessible to our stakeholders, our publications were made available online on our website www.hrdc.org.bw. These included the Annual Report of 2021/2022, Newsletter, Tertiary Education Statistics Report, BHRDS Fair and Career Clinics 2023 catalogue.

e) Media Relations

HRDC continued to foster relations with the media through periodic issuing of media releases and interviews with different media establishments.



ENABLING ENVIRONMENT REPORTS

4.3 Human Resources (HR) Report

The HR Department is responsible for formulating and implementing strategies that support and drive the attainment of HRDC mandate including strategic workforce planning, knowledge, and understanding of labour and other related legislation, organisation development, employee relations and management of employee welfare and benefits and management services.

Staffing Levels

Optimal utilisation of the available human resources has contributed positively to our performance outcomes. Although not operating at full complement due to lack of funding, the Council was able to perform with what is available by leveraging on technology. Our staffing levels have generally remained the same during the year with a complement of 112 positions comprising of staff appointed on Fixed Term Contract and Indefinite terms. Out of this total complement, 110 positions have been filled. During this period, HRDC was able to retain 99 percent of its workforce.

Overall Employee Performance

An overall employee performance score of 84.47 percent was achieved against an overall company score of 80.63 percent during the reporting period. The Council is on a continual improvement of its

performance management system (PMS) to ensure that employee performance is aligned to and drives the organisation to achieve set results. Training and guidance was therefore provided to employees to capacitate them on the PMS tool. Therefore, our quest to achieve a high-performance culture has seen a positive boost as reflected by our improving performance results.

Employee Value Proposition

The Council supports an environment of continuous learning and development for its human resources. To this end a budget of P1.1 million was utilised to cater for both long-term and short-term training to improve key skills and competencies required for the implementation of the HRDC mandate. Assistance was provided by sponsoring staff on Continuous Professional Development (CPDs) courses, subscriptions for their Professional Membership bodies and by encouraging staff to utilise online learning platforms as well as by conducting Capacity Development training for them.



Image: Staff members during the 2022 Christmas party.



Image: Independence Day Celebration on 30th September 2022.



ENABLING ENVIRONMENT REPORTS

4.4 Corporate Budget and Expenditures Report

2022-23 recorded a 9 percent decrease in Total Operating Income due to a 44 percent drop in the Government Recurrent Grant on account of substantial reserves held by HRDC. 10 percent Human Resources Development Council (HRDF) Administration Fees increased by 17 percent on account of the economic growth and inflation since the levy is calculated on turnover. Other Income increased by 97 percent on account of a 233 percent increase in Non-Credit Bearing Short Courses (NCBSCs) due to 12 months' earnings period compared to six (6) months in the previous year.

The Administrative expenses recorded an increase of 16 percent compared to 2021-22 on account of Botswana Human Resources Development Skills and Career Fair (BHRDS) which was not hosted in the previous year as well an increase in staff costs on account of a 5 percent cost of living adjustment and staff performance awards. Stakeholder Meetings and Conferences, Travel and Accommodation and Printing and Stationery recorded big increases of 4921 percent, 428 percent and 81 percent respectively. This was following the lifting of the COVID-19 social distancing and travel restrictions which previously constrained the delivery of the HRDC mandate as it is driven largely through stakeholder consultations and capacitation across the depth and breadth of the country either to inform policy development or to share information and promote National Human Resources Development. The Statement of Financial Position recorded a decrease of 2 percent attributable to depreciation, disposal

of obsolete assets as well as a decrease in Cash and Cash Equivalents. The current ratio weakened marginally from 1.8:1 to 1.5:1 but remained positive. The Statement of Changes in Funds also recorded a decrease of 24 percent attributable to the P5 648 738 deficit recorded for the year

The revenue performance against the budget was lower by 21 percent largely on account of the Government withholding P19.15 Million of the P48.20 Million recurrent subventions as a result of the P23.79 Million reserves HRDC held at the beginning of the year. This resulted from the wider belt tightening exercise by Government especially on the state owned entities.

HRDC continued to implement the Government Citizen Economic Empowerment Policies, the Economic Diversification Policies and the Local Procurement Preference Schemes in alignment with the new procurement law. In this regard HRDC recorded 541 procurement awards to 100 percent Citizen Owned Company out of a total of 711 awards representing 76 percent. Out of the total awarded value of P19.34 Million, P14.55 Million was awarded to 100 percent Citizen Owned Companies representing 75 percent. P1.42 Million, 7.38 percent was awarded to Economic Empowerment Drive (EDD) Registered Companies. Of the 711 awards, 106, 14.91 percent were for companies under the Local Procurement Scheme (women, youth and people living with disabilities) with a value of P1.24 Million, 6.43 percent.



Picture courtesy of Botswana Tourism Organisation (BTO)



HUMAN RESOURCE DEVELOPMENT COUNCIL

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

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● Statement of comprehensive income	62
● Statement of financial position	63
● Statement of changes in funds	64
● Statement of cash flows	65
● Accounting policies	66 – 77
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● Notes to the financial statements	82 – 90
● Detailed income statement	Annexure I



HUMAN RESOURCE DEVELOPMENT COUNCIL

For the year ended 31 March 2023

COUNCIL INFORMATION

Domicile, legal form and principal business activity:

Human Resource Development Council (HRDC) was established under the Human Resource Development Council Act No, 17 of 2013 which also repealed the Tertiary Education Act, 1999. The Council is responsible for the coordination of and promotion of the implementation of the Human Resource Development Strategy. The Council is domiciled in Botswana.

Registered address: Plot 60113, Block 7,
Ext 48, Gaborone West, Botswana.



Members of the Board:

Chairperson - Ms Choice M. Pitso
Mr Nixon M. Marumoloa
Mr Bugalo L. Masole
Mr Otlabotsa D. Tsie
Prof. Annah A. Molosiwa
Ms Prescilla K. Gower
Dr. Andrew B. Molwane
Mr Gokaiwamang M. Hetolang
Ms Mpho Leteane
Mr Odirile Motlhale
Prof. Elisha N. Toteng
Ms Goitseone N. Mosalakatane
Chief Executive Officer – Prof. Alinah K. Segobye

Postal address: Private Bag BR 108, Gaborone

Auditors: Ernst & Young, Gaborone

Bankers: Absa Bank of Botswana
Stanbic Bank Botswana
Bank Gaborone
Access Bank

Lawyers: Bogopa, Manewe, Tobedza & CO



STATEMENT OF RESPONSIBILITY BY BOARD MEMBERS

For the year ended 31 March 2023

The Members of the Board of Human Resource Development Council 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 Human Resource Development Council Act of 2013.

The Human Resource Development Council ("the Council") 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 Council's assets. The Members are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the Members 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. The Members have no reason to believe that the Council will not be a going concern in the foreseeable future, based on the continuous support by the Government of Botswana through the Ministry of Tertiary Education, Research, Science and Technology.

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 Members of the Board.

The financial statements set out on pages 62 to 90 and supplementary information on Annexure 1 were approved by the Members of the Board and are signed on its behalf by:

Director

Director



INDEPENDENT AUDITORS REPORT



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Gaborone, Botswana

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Registration No: 10829
VAT No: P03625401112
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Independent Auditor's Report

To the Members of Human Resources Development Council

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Human Resources Development Council ("the Council") set out on pages 62 to 90 which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Human Resources Development Council as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Human Resources Development Council Act of 2013.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors' is responsible for the other information. The other information comprises the information included in the 38-page document titled "Human Resources Development Council Annual Financial Statements for the year ended 31 March 2023" which includes the Statement of responsibility by board members and the Detailed expenditure statement, as required by the Human Resources Development Council Act of 2013. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information received prior to the date of this auditor's report, 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.



INDEPENDENT AUDITORS REPORT



Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Human Resources Development Council of 2013 and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the council'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 Board of Directors either intend to liquidate the council or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of 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 council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITORS REPORT



We communicate with the Board of 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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Ernst & Young
Practising Member: Bakani Ndwapi
Partner
Membership number: CAP 0010 2023
Certified Auditor
Gaborone

Date: 22 November 2023



HRDC STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Note	2023 P	2022 P
Revenue	5	71,334,355	85,791,876
Other income	6	13,122,462	6,666,902
Administrative expenses	7	(91,631,746)	(79,085,497)
Operating (Loss)/Profit		(7,174,929)	13,373,281
Interest income-based on effective interest rate	9	1,487,258	671,013
Foreign exchange Gain		38,933	6,936
Operation (loss)/Profit		(5,648,738)	14,051,230
Total comprehensive (loss)/income for the year		(5,648,738)	14,051,230



HRDC STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2023

	Note	2023 P	2022 P
ASSETS			
Non-current assets			
Property, plant and equipment	10	37,681,991	38,584,242
Intangible assets	11	993,599	683,561
		38,675,590	39,267,803
Current assets			
Trade and other receivables	12	12,568,103	12,160,369
Cash and cash equivalents	13	38,773,001	40,763,958
		51,341,104	52,924,327
Total assets		90,016,694	92,192,130
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus		18,143,629	23,792,368
		18,143,629	23,792,368
Non-current liabilities			
Deferred Capital grants	14	38,089,306	39,291,718
Current liabilities			
Trade and other payables	15	33,783,760	29,108,044
Total liabilities		71,873,066	68,399,762
Total funds and liabilities		90,016,694	92,192,130



HRDC STATEMENT OF CHANGES IN FUNDS

For the year ended 31 March 2023

	Accumulated Fund P	Total P
Balance as at 1 April 2021	9,741,137	9,741,137
Total comprehensive income for the year	14,051,230	14,051,230
Balance as at 31 March 2022	23,792,367	23,792,367
Balance as at 1 April 2022	23,792,367	23,792,367
Total comprehensive (Loss) for the year	(5,648,738)	(5,648,738)
Balance as at 31 March 2023	18,143,629	18,143,629



HRDC STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Note	2023 P	2022 P
Cash generated from operations			
Operation (loss)/Profit	*	(5,648,738)	14,051,230
Adjustments for:			
Depreciation	10	2,787,139	3,109,126
Amortisation of intangible assets	11	305,100	483,414
Profit on disposal of plant and equipment	6	(183,612)	(261,356)
Amortisation of deferred income	14	(3,092,239)	(3,592,540)
Interest income	9	(1,487,258)	(671,013)
Foreign exchange Gain	*	(38,933)	(6,936)
		(7,358,541)	13,111,926
Changes in working capital			
Decrease in trade and other receivables		(407,734)	(51,747)
Increase/(decrease) in trade and other payables		4,675,716	(307,222)
Net cash (used in)/generated in operating activities		(3,090,559)	12,752,957
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(2,132,320)	(4,561,078)
Purchase of intangible assets	11	(615,138)	-
Proceeds from disposal of plant and equipment		183,612	261,356
Interest income received	9	1,487,258	671,013
Net cash used in investing activities		(1,076,588)	(3,628,709)
Cash flows from financing activities			
Capital grant received	14	2,137,259	4,561,078
Net cash generated from financing activities		2,137,259	4,561,078
Effect of exchange rate changes on cash and cash equivalents *		38,933	6,936
Net change in cash and cash equivalents		(1,990,956)	13,692,261
Cash and cash equivalents at beginning of year		40,763,957	27,071,697
Cash and cash equivalents at end of year	13	38,773,001	40,763,958

* comparative have been restated to start with operation (Loss)/profit



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. General information

Human Resource Development Council (HRDC) was established under the Human Resource Development Council Act No, 17 of 2013. The Council is responsible for the coordination of and promotion of the implementation of the National Human Resource Development Strategy. The address of its registered office is Plot 60113, Block 7, Ext 48, Gaborone West, Botswana.

The financial statements set out on pages 62 to 90 have been approved by the Members of the Board of Human Resource Development Council on 11 October 2023.

2 Summary of significant accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards.

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

2.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The preparation of the Council financial statements is in conformity with International Financial Reporting Standards and requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Council financial statements are disclosed in the respective section of the financial statements. Refer to note 4 for critical accounting estimates and judgements policy notes. All amounts are shown in Pula which is the entity's functional and presentation currency. All values are rounded to the nearest Pula, unless otherwise stated.

2.1.1 Adoption of standards in the current financial year

New standards and interpretations

- (a) International Financial Reporting Standards amendments and Interpretations issued but not yet effective for the ended 31 March 2023.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.1.1 Adoption of standards in the current financial year (continued)

- i. The following standards amendments and interpretations were issued but not yet effective for year ended 31 March 2023.

Standards/Interpretations	Amendment	Effective for the financial reporting period
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	The amendment was postponed by one year to be effective for annual period on or after 1 January 2024 31 March 2026	31 March 2026
Non-current Liabilities with Covenants (Amendments to IAS 1)	The amendment clarifies how the conditions with which an entity must comply within 12 months after the reporting period affect the classification of the liability.	31 March 2025
Definition of Accounting Estimates - Amendments to IAS 8	The amendment introduces the definition of accounting estimates and includes other amendments to IAS 8 to help entities to distinguish between accounting policies and accounting estimates.	31 March 2026
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendment clarifies how companies accounting for deferred tax on transaction such as leases decommissioning obligations.	31 March 2025
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirement in IFRS 15 to be accounted for as a sale	31 March 2026



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.1.1 Adoption of standards in the current financial year (continued)

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements of the Council 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 Council's functional and presentation currency.

2.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive income within "finance income" or "finance cost". All other foreign exchange gains and losses are presented in the statement of comprehensive income within "other income" or "operating expenses".

2.3 Property, plant and equipment

a) Measurement

Property plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items and to get the items ready for their intended use.

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



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

b) Depreciation

Depreciation commences when the assets are available for use. Depreciation is calculated on the straight-line basis at rates designed to depreciate the cost of the assets, to their residual value, over their estimated useful lives as follows:

- Furniture and Office Equipment	2-10 years
- Gym equipment	5-10 years
- Computer equipment	3-5 years
- Motor vehicles	4-8 years
- Leasehold land and Buildings	Over the life of the lease
- Buildings- Porta Cabins	20 years

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

2.3 Property, plant and equipment

c) Derecognition

An item of property plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Property and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, the latter being the higher of the fair value less cost of disposal and its value in use.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.4 Intangible assets

Acquired Computer software

Intangible assets are carried at cost, less accumulated amortisation and accumulated impairment losses, if any. Acquired computer software licenses are capitalised and recorded as intangible assets on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised on the basis of an expected useful life between three to five years, using the straight-line method. Useful lives and amortisation methods are assessed and adjusted for prospectively, if necessary, on an annual basis.

2.5 Financial Assets and Liabilities

2.5.1 Classification and Measurement methods

Classification

The Council classifies its financial assets and financial liabilities into the following categories:

- o Financial assets at amortised cost
- o Financial liabilities at amortised cost

The classification depends on the purpose for which the financial instruments were obtained/incurred. Management determines the classification of its financial assets at initial recognition.

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 Council 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.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.5 Financial Assets and Liabilities (Continued)

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 Council 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 (FVPL) 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 Council recognises the difference as follows:

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

2.5.2 Financial assets

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

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



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.5 Financial Assets and Liabilities (Continued)

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 Council manages the assets in order to generate cash flows. That is, whether the Company'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 Council in determining the business model for a group of assets include past 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 Council 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 a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Council assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Council considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Council reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.5 Financial Assets and Liabilities (Continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Impairment of financial assets

The Council 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 Council 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 the Council'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 Council 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 Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Council 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.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.5 Financial Assets and Liabilities (Continued)

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 Council derecognises financial liabilities when, and only when, the Council'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.

2.6 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 invoice amount and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited as other income in the statement of comprehensive income.

2.7 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.8 Employee benefits

The terminal benefits such as end of contract gratuity are accrued for employees based on their employment contracts over the period of the contract. These costs are recognised as part of the staff costs in the Statement of Comprehensive Income.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.9 Provisions

Provisions are recognised when: the Council 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 has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.10 Revenue recognition

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Council expects to receive in exchange for the services.

2.11 Nature of services & timing of revenue recognition

The Council provides Human Resource Development Fund administration services. The administration fee is earned on monthly basis from the administration of the Human Resource Development Fund. This is a Fund where the training levy is collected into from the companies that are eligible. Money that is transferred into this Fund is collected on a quarterly basis from the Botswana Unified Revenue Service (BURS) and forwarded to the Fund account. HRDC receives 10% of the money transferred by BURS towards the Council for the administration of the Fund.

Other main source of revenue is Government subventions. These relate to a particular period are recognised in the respective period at their fair value where there is a reasonable assurance that the subventions will be received and the Council has complied with conditions attached to them.

Government subvention is recognised based on the approved amount by Parliament and the parent Ministry confirm the approved amount in writing at the beginning of the financial year. The funds are released to the Council on quarterly bases at the beginning of every quarter, however the Council recognizes these amount on monthly basis.

Revenue is recognised at a specific point in time as this reflects the nature of performance obligations embedded in the contracts for the services rendered by the Council. Revenue recognition follows a five step model framework model listed below:

- 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



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.12 Other income

The Council also generates revenue by selling stands for the annual BHRDS Fair and Career Clinics as well as the advertising space on the Fair Catalogue. The prices for both the stand and advertising space are determined by Management and reviewed annually.

The Council is also responsible for registration and recognition of Non-Credit Bearing Short Courses (NCBSCs). The Council generates revenue from Applications fees, Renewal Fees and fees for Application of Significant changes.

2.13 Government grants (Recurrent grant)

Government grants are assistance by government in the form of transfers of resources to the Council in return for compliance with certain conditions relating to the operating activities of the Council.

Grants (Development Grant) received for specific expenses are recognised in the Statement of Comprehensive income over the period necessary to match with the expenses they are intended to compensate. Grants received for which the related expense have not been incurred remain included in current liabilities as unspent grants received from Government.

Grants received for the acquisition of property, plant and equipment ("capital assets") are transferred from unspent grants to capital grants (Deferred Income) in the statement of financial position in the period in which the underlying asset is bought. Grants, for which the underlying asset has been bought, is subsequently recognised in the statement of comprehensive income to match the depreciation of the related assets, as other income. Grants received for which assets have not been purchased, remain included in current liabilities as unspent grants received from Government.

2.14 Human Resource Development Fund (HRDF) Administration fee

The administration fee is earned from the administration of the Human Resource Development Fund. This is a Fund where the training levy is collected into from the companies that are eligible. Money that is transferred into this fund is collected on a quarterly basis from the Botswana Unified Revenue Service (BURS) and forwarded to the Fund account. HRDC receives 10% of the money transferred by BURS towards the fund for the administration of this Fund.

2.15 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Interest income refers to interest received from Call Accounts balances and Interest from Short term Investment on Fixed deposit.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2.16 Taxation

Council is exempt from income tax under Part 1 of the second schedule of the Income Tax Act (52:01).

2.17 Changes in accounting policies

There were no changes in accounting policies.

3 Financial risk management

3.1 Financial risk factors

The Council's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and other price risk), credit risk and liquidity risk. The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Council's financial performance. Risk management is carried out under policies approved by the members of the board.

(a) Market risk

(i) Foreign currency 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. The Council is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar. Foreign exchange risk arises from commercial transactions. Management has set up a policy that require the Council to manage their foreign exchange risk against their functional currency.

		Cash and cash equivalents	Effect on Profit/(Loss)/Equity
		P	P
2023			
Increase in exchange rate	1%	6 527	65
Decrease in exchange rate	-1%	(6 527)	(65)
2022			
Increase in exchange rate	1%	565,530	56,553
Decrease in exchange rate	-1%	(565,530)	(56,553)



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

3.1 Financial risk factors (Continued)

(ii) Price risk

As the Council has no equity securities, the Council's income and operating cash flows are substantially independent of changes in equity price risk.

(iii) Interest rate risk

At 31 March 2023, if interest rates on short-term deposit had been 1% higher / lower with all other variables held constant, the effect of profit/(loss) and equity would have been **P 150,394** (2022: P 114, 731) mainly as a result of higher / lower interest income on floating rate deposits.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council. Any amount due over 90 days is considered to be in default. As at 31 March 2023, the Council's maximum exposure to credit risk which may cause financial loss due to failure to discharge an obligation by the third parties 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 Council has adopted appropriate policies and procedures to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Council 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 Members consider that the Council's credit risk is significantly reduced. The Council does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

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

The Council 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 loss allowance as at 31 March 2023 is determined as follows.

Financial assets with the maximum exposure to credit risk at the year-end were as follows:

Description	2023	2022
Trade Receivables	822,237	750,147
Receivables from HRDF	10,347,600	11,092,885
Other Receivables	973,061	492,539
Less: Impairment provision	(121,089)	(686,031)
Net trade and other receivables	12,021,809	11,649,540



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Council only deposit cash with major banks with high quality credit standing and limits exposure to any one counter-party. The Council has deposits with Absa Bank of Botswana, Bank Gaborone Limited and Access Bank. There are no credit ratings available in Botswana.

Absa Bank of Botswana Limited is listed on the Botswana Stock Exchange and is a subsidiary of Absa Africa, which is listed on the London Stock Exchange and has a credit rating AAA+ (Fitch rating).

Access Bank took over BancABC Limited previously known as African Banking Corporation Botswana Limited is a subsidiary of ABC Holdings Limited (ABCH) Group. ABC Holdings Limited is dually listed on the Botswana Stock Exchange and on the Zimbabwe Stock Exchange.

Bank Gaborone Limited is a wholly owned subsidiary of Capricorn Investment Holdings (Botswana) (Pty) Ltd. Bank Gaborone was issued a license by the Bank of Botswana on 1st February 2006 to commence with its full retail banking business.

Reconciliation of Impairment Loss Allowance

Description	2023	2022
	P	P
Opening balance	686,031	686,031
Decrease in receivable loss allowance recognised in profit or loss during the period	108,667	-
Receivables written off during the year as uncollectible	(456,275)	-
Closing balance at 31 March 2023	121,089	686,031

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management of the Council aims to maintain flexibility in funding by keeping committed credit lines available.

The Council's financial liabilities as given in the table below consist of accounts payable with a maturity period of less than 12 months from the statement of financial position date. The analyses of financial liabilities into relevant maturity groupings are based on the remaining period at the statement of financial position to the contractual maturity date.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

3.1 Financial risk factors (Continued)

	Less than 1 year P
At 31 March 2023	
Trade and other payables	4,154,460
At 31 March 2022	
Trade and other payables	3,261,304

3.2 Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern and benefits for stakeholders and to minimise the use of debt capital. In order to maintain or adjust the capital structure the Council may adjust the assets or sell assets.

The Council is funded by the Government. Consistent with this objective the Council does not monitor capital on the basis of the gearing ratio.

4 Critical accounting estimates and judgements

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

(a) Residual values and useful lives of property, plant and equipment

Residual values and useful lives of property, plant and equipment are based on current estimates of the value of these assets at the end of their useful lives. The estimated residual values of buildings have been determined by the members of the Board based on their knowledge of the industry.

(b) Intangible assets - estimate of amortisation method and period

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

(c) Impairment loss/ measurement of Expected Credit Loss (ECL) on trade receivables

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

4 Critical accounting estimates and judgements (Continued)

Expected Credit Loss Allowance (ECL)

The Council applies the simplified approach under IFRS 9 and recognises lifetime ECL for trade receivables.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex 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.

(d) Treatment of grant received from Government

Taking into account its nature and substance, the Council 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 Council considers the terms attached to each of the grants received and the current practice adopted by other parastatals in Botswana. Accordingly, the Council recognises the amounts received in accordance with the accounting policy as included in note 2.13.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

	2023 P	2022 P
5 Revenue		
Government subventions	26,708,198	47,585,569
HRDF administration fees	44,626,157	38,206,307
	71,334,355	85,791,876
6 Other income		
Amortisation of Capital grant (Note 14)	3,092,239	3,592,540
BHRDS Fair and Career Clinics	3,190,182	-
Non credit bearing short courses	4,824,621	1,447,147
Reimbursement of HRD sector plan costs	-	1,058,686
Other Grants - Development	859,059	-
Sale of tender documents and sundry income	972,749	307,174
Profit on disposal of assets	183,612	261,356
	13,122,462	6,666,902
7 Expenses by nature		
The following items have been charged in arriving at operating surplus before finance income:		
Advertising	815,075	677,196
Amortisation of intangible assets	305,100	483,414
BHRDS Fair Career Clinics	4,516,253	-
Auditors' remuneration	536,546	516,610
Board members' sitting allowances	548,453	514,805
Consultancy	148,160	2,066,963
Depreciation	2,787,139	3,109,126
Electricity and water	914,688	849,576
Impairment charge / (reversal) on receivables	(108,668)	-
Insurance	837,454	900,040
Other administration expenses	1,891,228	2,630,196
Printing and stationery	805,978	446,333
Repairs and maintenance	1,401,210	1,489,924
Staff costs (Note 8)	69,677,340	62,432,187
Stakeholder meetings and Conferences	1,640,340	310,848
Subscriptions	2,552,547	2,279,519
Training and capacity building	643,237	344,511
Travelling and accommodation	1,719,666	34,248
	91,631,746	79,085,497



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

8	Staff Cost	2023 P	2022 P
	Salaries and wages	57,075,931	50,771,544
	Medical and gratuity expenses	12,601,409	11,660,644
		69,677,340	62,432,187
	Average number of employees	112	112
9	Interest income	2023 P	2022 P
	Interest from fixed deposit	1,412,958	611,763
	Interest on call accounts	74,300	59,250
		1,487,258	671,013



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

10 Property, plant and equipment	Leasehold	Buildings- Porta Cabins	Motor vehicles	Computer equipment	Gym equipment	Furniture and office fittings	Total
	Land and buildings						
	P	P	P	P	P	P	P
As at 31 March 2021							
Cost	40,973,545	304,800	3,548,891	6,880,571	374,017	8,249,844	60,331,667
Accumulated depreciation	(8,880,039)	(123,190)	(2,075,330)	(4,867,313)	(354,018)	(6,489,423)	(22,789,313)
Net book amount	<u>32,093,506</u>	<u>181,610</u>	<u>1,473,561</u>	<u>2,013,258</u>	<u>19,999</u>	<u>1,760,421</u>	<u>37,542,354</u>
Year ended 31 March 2022							
Net book amount at beginning of year	32,093,506	181,610	1,473,561	2,013,258	19,999	1,760,421	37,542,354
Additions	280,960	-	827,663	972,030	-	2,480,425	4,561,078
Cost on disposal	-	-	(715,671)	(34,589)	-	(112,430)	(862,690)
Depreciation on disposal	-	-	322,405	34,589	-	112,430	469,424
Capital Work in progress	(16,800)	-	-	-	-	-	(16,800)
Depreciation	(822,326)	(15,240)	(249,009)	(1,059,475)	(11,942)	(951,135)	(3,109,125)
Net book amount at end of year	<u>31,535,341</u>	<u>166,370</u>	<u>1,658,949</u>	<u>1,925,812</u>	<u>8,057</u>	<u>3,289,711</u>	<u>38,584,242</u>
As at 31 March 2022							
Cost	41,237,705	304,800	3,660,882	7,818,012	374,017	10,617,839	64,013,255
Accumulated depreciation	(9,702,365)	(138,430)	(2,001,933)	(5,892,199)	(365,960)	(7,328,128)	(25,429,015)
Net book amount	<u>31,535,341</u>	<u>166,370</u>	<u>1,658,949</u>	<u>1,925,812</u>	<u>8,057</u>	<u>3,289,711</u>	<u>38,584,240</u>
Year ended 31 March 2023							
Net book amount at beginning of year	31,535,341	166,370	1,658,949	1,925,812	8,057	3,289,711	38,584,240
Additions	-	-	1,262,202	650,344	-	219,774	2,132,320
Cost on disposal	-	-	(698,632)	-	-	(81,157)	(779,789)
Depreciation on disposal	-	-	451,200	-	-	81,159	532,359
Depreciation	(824,854.20)	(15,240)	(327,727)	(731,863)	(4,995)	(882,460)	(2,787,139)
Net book amount at end of year	<u>30,710,486</u>	<u>151,130</u>	<u>2,345,992</u>	<u>1,844,293</u>	<u>3,062</u>	<u>2,627,027</u>	<u>37,681,991</u>
As at 31 March 2023							
Cost	41,237,705	304,800	4,224,452	8,468,355	374,017	10,756,456	65,365,786
Accumulated depreciation	(10,527,219)	(153,670)	(1,878,460)	(6,624,062)	(370,955)	(8,129,429)	(27,683,795)
Net book amount	<u>30,710,486</u>	<u>151,130</u>	<u>2,345,992</u>	<u>1,844,293</u>	<u>3,062</u>	<u>2,627,027</u>	<u>37,681,991</u>



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

11 Intangible assets	2023 P	2022 P
As at 31 March 2022		
Cost	3,294,328	3,294,328
Accumulated amortisation	(2,610,767)	(2,127,353)
Net book amount	683,561	1,166,975
Year ended 31 March 2023		
Net book amount at beginning of year	683,561	1,166,975
Additions	4,939	-
Amortisation charge	(305,100)	(483,414)
	383,400	683,561
Work in progress - Development of the LMIS	610,199	-
Net book amount at end of year	993,599	683,561
As at 31 March 2023		
Cost	3,909,466	3,294,328
Accumulated amortisation	(2,915,868)	(2,610,767)
Net book amount	993,599	683,561
Intangible assets consist of computer software.		
12 Trade and other receivables	2023 P	2022 P
Trade receivables	822,237	750,147
Less: Loss allowance / provision for impairment	(121,089)	(686,031)
	701,148	64,116
Receivable from HRDF (Note 18)	10,347,600	11,092,885
Prepayment and deposit	546,294	510,830
Other receivables	973,061	492,539
	11,866,955	12,096,253
Trade and other receivable as at year end	12,568,103	12,160,369
Reconciliation of loss allowance		
The following table shows the movement in the loss allowance (expected credit losses) for trade and other receivables		
Opening impairment allowance as at 1 April 2022 – calculated under IFRS 9	686,031	686,031
Decrease in receivable loss allowance recognised in profit or loss during the period	(108,667)	-
Receivables written off during the year as uncollectible	456,275	-
Balance at the end of the year	121,089	686,031



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

13 Cash and cash equivalents	2023 P	2022 P
Cash on hand	2,495	539
Cash at bank	13,770,506	10,397,828
Short-term deposits	25,000,000	30,365,591
	38,773,001	40,763,958

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	2023 P	2022 P
Bank balances	38,770,506	40,763,419
Cash on hand	2,495	539
	38,773,001	40,763,958

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Council, and earn interest at the respective short-term deposit rates.

Cash and cash equivalents denominated in foreign currencies are as follows:

	2023 P	2022 P
US Dollar (2023 : 500 / 2022: 78,040)	6,527	565,530

14 Capital grants

	2023 P	2022 P
Balance at beginning of year	39,291,718	38,709,635
Grant received during the year (Assets Additions)	2,137,259	4,561,078
Amortisation on disposal	(247,432)	(386,454)
Amortisation during the year (Note 6)	(3,092,239)	(3,592,540)
Balance at end of year	38,089,306	39,291,718



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

	2023 P	2022 P	
15 Trade and other payables			
Trade and other payables	3,142,477	2,602,467	
Sundry creditors	1,011,982	658,837	
Staff accruals (Note 15.1)	12,447,148	10,409,770	
Unutilised grants (Note 15.2)	17,182,152	15,436,970	
	33,783,760	29,108,044	
15.1 Staff Accruals			
Movement in staff accruals is as follows:			
	Gratuity P	Leave pay P	Total P
Balance at beginning of year	7,744,262	2,665,508	10,409,770
Additional accruals during the year	7,048,121	3,746,999	10,795,120
Paid during the year	(5,373,955)	(3,383,788)	(8,757,743)
Balance at end of year	9,418,429	3,028,719	12,447,148
15.2 Unutilised grants			
	2023 P	2022 P	
HRDC Capital Grant	6,901,514	6,697,273	
HRDC Development (Project) Grant	8,780,639	7,239,698	
Recurrent Grant - Sector Committees	1,500,000	1,500,000	
	17,182,152	15,436,971	

Capital grant are grants received for capital expenditure. Development (Project) grants are grant received for specific or activities and can not be used for the Council's operation without the approval of Government hence categorised as current liabilities. The Sector Committee Grant also falls under special grants for specific Projects/activities.

16 Commitments	2023 P	2022 P
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Commitments for consultancies and projects contracted but not incurred

BITRI - Development of Labour Market Information System (LMIS) (The project is funded by the Government through the Development grant) The total grant amount for the project is P12 199 250.	11,589,240	-
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HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

17 Analysis of financial instruments

Financial instruments by category

The following are the carrying amounts and fair values of financial assets and financial liabilities of the Council.

	Fair value through profit or loss P	Fair value through OCI P	Amortised cost P	Non - financial instruments P	Total carrying amount P
As at 31 March 2023					
Financial assets					
Trade and other receivables			12,021,809	546,294	12,568,103
Cash and cash equivalent			38,773,001	-	38,773,001
	-	-	50,794,810	546,294	51,341,104
Financial liabilities					
Trade and other payables			4,154,460	29,629,300	33,783,760
	-	-	4,154,460	29,629,300	33,783,760

	At Fair value through profit or loss P	Loans and receivables P	Amortised cost P	Non - financial instruments P	Total carrying amount P
As at 31 March 2022					
Financial assets					
Trade and other receivables	-	-	11,649,539	510,830	12,160,369
Cash and cash equivalent	-	-	40,763,958	-	40,763,958
	-	-	52,413,497	510,830	52,924,327
Financial liabilities					
Trade and other payables	-	-	3,261,304	25,846,740	29,108,044
	-	-	3,261,304	25,846,740	29,108,044



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

18	Related party transactions	2023 P	2022 P
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Human Resource Development Council (HRDC) was established through the Human Resource Development Act No. 17 of 2013. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged

Related party transaction and balances

(a) The Council carried out the following transactions with its related parties during the financial year ended 31 March 2023:

Name of Related party	Nature of transactions	2023 P	2022 P
Ministry of Education and Skills Development	Government Subvention	26,708,198	47,585,569
Human Resource Development Fund	Administration fees	44,626,157	38,206,307

Key management compensation

Key management includes Board members and the Executive Management. The compensation paid or payable to Management for employee services together with payments made to the Board Members are shown below;

	2023 P	2022 P
Executive Management - salaries and short term benefits	8,022,498	7,931,041
Executive Management - gratuity and leave pay	2,066,572	2,195,101
	10,089,070	10,126,142
Payments made to Board Members	548,453	514,805
	10,637,523	10,640,947

(b) The following balances were receivable from related parties:

	2023 P	2022 P
Human Resource Development Fund-Administration fees	10,347,600	11,092,885
	10,347,600	11,092,885



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

19 Contingent liabilities

Staff Loan Guarantees

The Human Resource Development Council has guaranteed the obligations of its employees under a motor vehicle and housing loan guarantee scheme operated through Botswana Savings Bank and Absa Bank Botswana Limited. The maximum amount guaranteed at 31 March 2023 was **P6 457 735** (2022: P 21,874,305) (Absa Bank of Botswana **P4 017 425** (2022:P10,972,615) and Botswana Savings Bank **P2,440,309** (2022:P10,901,690)). At the time of approving the financial statements, the Board Members were not aware of any losses that might arise from these arrangements.

All housing loans mortgage bonds are registered in the name of HRDC and the bond together with the title deed are retained by HRDC until the loan has been repaid in full. For motor vehicle loans, the related motor vehicle is registered in the name of the employee while the financial interest of the HRDC is noted on the vehicle registration book.

The Board Members confirm that there were no other contingent liabilities at the reporting date.

20 Events after reporting period

Based on the Council's own assessment there are no events after the reporting period that may impact on the Council's financial position.

21 Going concern

These financial statements have been prepared on a going concern basis based on the information available at the time of approval thereof.



HRDC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1	Administrative expenses	Annexure I	
		2023 P	2022 P
	Advertising	815,075	677,196
	Amortisation of intangible assets (Note 11)	305,100	483,414
	BHRDS Fair Career Clinics	4,516,253	-
	Audit fees	536,546	516,610
	Bank charges	59,309	57,063
	Board expenses	194,884	96,917
	Consultancy	148,160	2,066,963
	Depreciation	2,787,139	3,109,126
	Development office expenses	538,283	735,910
	Electricity and water	914,688	849,576
	Impairment charge / (reversal) on receivables	(108,667)	-
	Insurance	837,454	900,040
	Legal Fees	-	145,649
	Library	64,088	53,932
	Printing and stationery	805,978	446,333
	Recruitment cost	18,816	129,664
	Staff Pension Admin Fee	53,249	88,065
	Repairs and maintenance	1,401,210	1,489,924
	Salaries and wages	69,677,340	62,432,187
	Security services	317,053	413,158
	Sitting allowance	548,453	514,805
	Sitting allowance-sector committee	124,920	381,780
	Staff welfare	164,314	147,029
	Stakeholder meetings and conferences	1,640,340	310,848
	Subscription	2,552,547	2,279,519
	Telephone and postage	193,099	308,212
	Training and capacity building	643,237	344,511
	Travel and accommodation	1,719,666	34,248
	Vehicle expenses	163,213	72,819
		91,631,747	79,085,497

This detailed expenditure statement does not form part of the financial statements covered by the audit opinion.



**HUMAN
RESOURCE
DEVELOPMENT
COUNCIL**
of BOTSWANA

OUR PEOPLE • OUR FUTURE

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