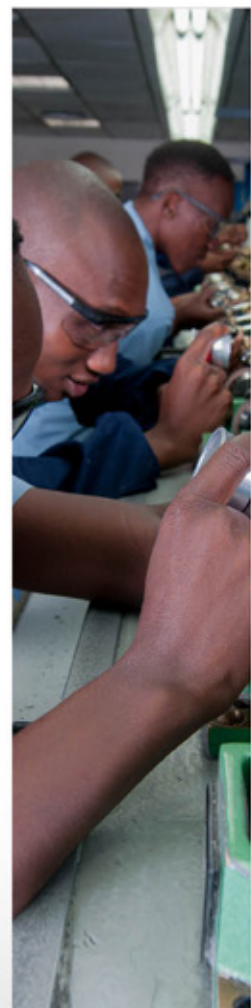


HRDC
HUMAN RESOURCE DEVELOPMENT COUNCIL

2017/18
ANNUAL REPORT

DRIVING BOTSWANA'S HUMAN
CAPITAL DEVELOPMENT AGENDA





HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL

2017-18 ANNUAL REPORT

DRIVING BOTSWANA'S HUMAN
CAPITAL DEVELOPMENT AGENDA

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4.0 HRDC ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018



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MILESTONES/ACHIEVEMENTS



HRDC 2017/18 MILESTONES/ACHIEVEMENTS



MILESTONES/ACHIEVEMENTS

HRDC 2017/18

MILESTONES/ACHIEVEMENTS (CONT...)





ABOUT THE HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC)

The Human Resource Development Council (HRDC) is responsible for providing policy advice on all matters of national human resource development; coordination and promotion of the implementation of the National Human Resource Development Strategy; development of the National Sector Human Resource Development (HRD) Plans and advising on Tertiary Education Financing and Workplace Learning.



Chairperson of the HRDC Board

Mr Batho C. Molomo



Chief Executive Officer (CEO)

Dr Raphael Dingalo



Registered Office

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Botswana Human Resource
Development Council



@BotswanaHRDC

HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL



MISSION

To advise, plan, fund and coordinate the development of Botswana's human resource to achieve a knowledge based economy by engaging and integrating stakeholders.



VISION

To make Botswana's human resource globally competitive by 2026.



VALUES



Botho

We personify and promote the common good of society and recognise humanness as an essential element of human development.



Excellence

We commit to doing our best individually and collectively to drive success on a daily basis.



Team Work

We will work together cohesively, towards a common goal.



Transparency

We are open and honest in all our dealings



Accountability

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

1.1 ABOUT THE HUMAN RESOURCE DEVELOPMENT COUNCIL MANDATE

The Human Resource Development Council (HRDC) was established under the HRDC Act CAP.54:07 which became effective on the 8th November, 2013. Acting as Government's advisor on human resource development, 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 guide Botswana's education and skills development

mechanism. Additionally, HRDC 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 is driven by a set of clear initiatives that are coordinated, promoted and overseen by the HRDC in partnership with relevant stakeholders.

The establishment of HRDC, therefore, represents a clear acknowledgement by Government on the need to drive effective HRD through a process that engages and accommodates the input and broad participation of the public and private sector, civil society, labour, youth, Education and Training Providers (ETPs) and other key stakeholders.



1.2 HRDC'S FUNCTIONAL STRUCTURE

During the year under review, HRDC continued to implement the new organisational structure by filling new positions. This phase saw the organisation growing from 99 to 109 staff members.

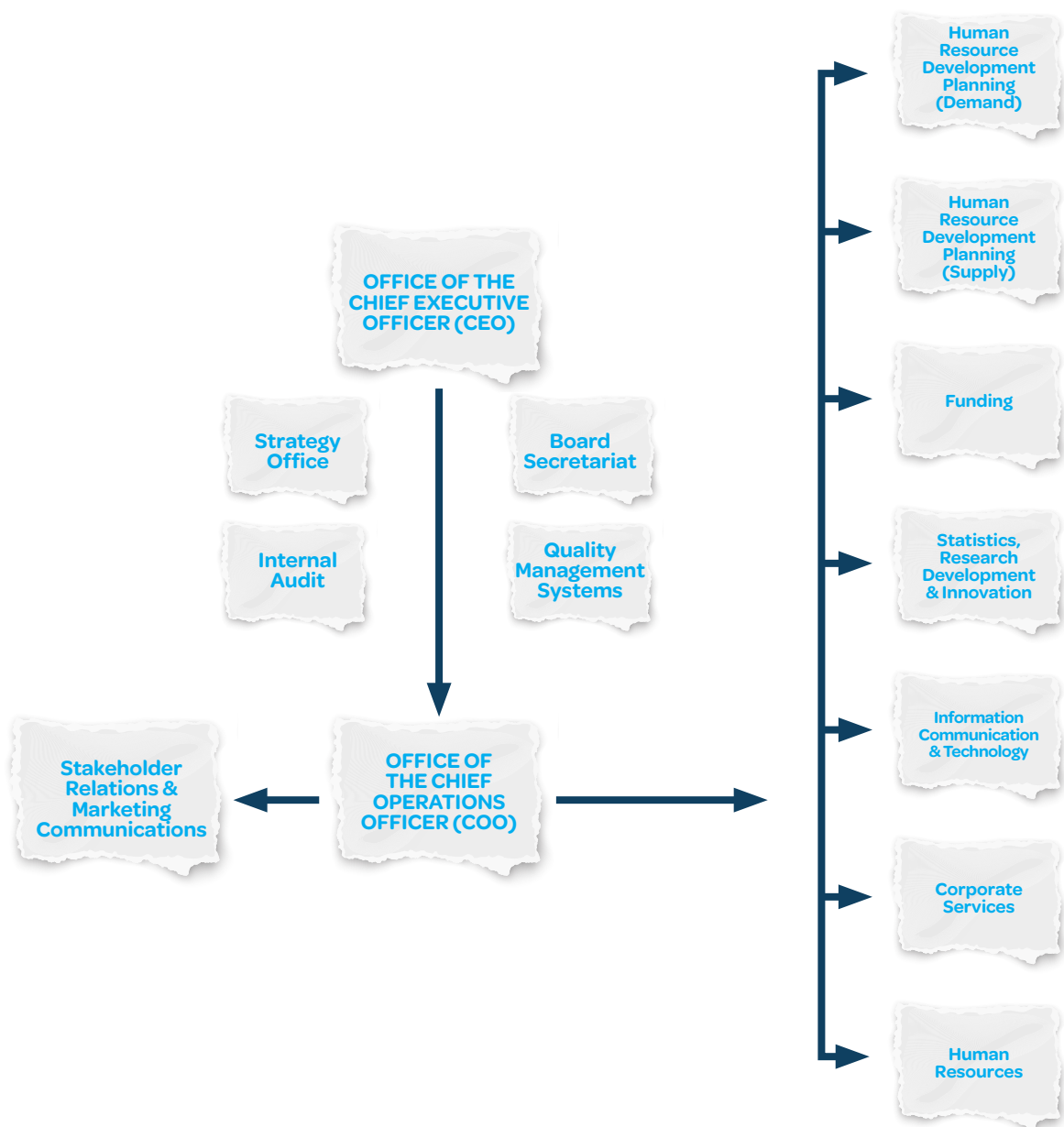


Figure One: HRDC Functional Structure



2.0 GOVERNANCE

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2.1 CHAIRPERSON'S STATEMENT



“It is with great pleasure that I present the 2017/18 HRDC Annual Report. It is in this report that we share with you the stakeholder, our achievements and challenges. The key deliverable in this year's annual plan is the National Human Resource Development Plan (NHRDP).”

I am pleased to indicate that as at the end of the year, the NHRDP was at its final draft stage. The plan will accordingly go through the Board and Cabinet for Approval. This plan will be the key guide for development of human resource development for Botswana in line with the skills required in the economy.

The success in the implementation of the NHRDP will, largely depend on the availability of on-time data and information. To this end, the HRDC is revitalising the Labour Market Observatory and has developed labour market indicators. For promoting skills development amongst the Botswana workforce, HRDC continues to implement the Human Resource Development Fund, which is an important case of Public Private Partnership model where the private sector contributes funds for training workers to improve their skills and productivity. To achieve a conducive learning environment in our institutions nationwide, Norms and Standards for Student Affairs were developed and are currently being implemented.

During this reporting year, a lot was achieved in improving the capability of the HRDC mainly in stakeholder engagement, operational systems

and staff development where HRDC staff continued to be trained in professional and developmental short and long-term training. It is my pleasure also to indicate that this report presents a healthy financial management of the organisation for the year 2017/2018.

Lastly, I would like to thank the Government through the Ministry of Tertiary Education, Research, Science and Technology for their continued support. My sincere gratitude goes to the HRDC Board for giving direction to the organisation, the Management and all staff for their continued dedication to achieve the organisation's objectives.

The ultimate goal for us is to see each citizen of this beautiful country striving to realise their potential.



Mr Batho Christopher Molomo
HUMAN RESOURCE DEVELOPMENT COUNCIL,
BOARD CHAIRPERSON

2.2 CORPORATE GOVERNANCE REPORT



COMPLIANCE WITH CORPORATE GOVERNANCE

The HRDC is committed to fulfilling its mandate in line with corporate governance standards and practices, with regards to accountability, transparency, professionalism and ethical values. Furthermore, HRDC is alive to the highest standards of service delivery and integrity in all its activities and or undertakings. As an essential part of this commitment, members of the Board support high standards of corporate governance.

The Board oversees adherence to International Financial Reporting Standards (IFRS) in the preparation of its financial statements, which require that the information reported in the financial statements should be transparent, relevant, complete and reliable. HRDC understands that adhering to sound principles of corporate governance is critical to earning and maintaining the trust from key stakeholders and meeting service delivery standards.

2.3 HRDC BOARD

THE BOARD MEMBERS

The HRDC is governed by a Board consisting of 13 members that were appointed by the then Minister of Education and Skills Development as per the HRDC Act CAP. 54:07. The inaugural Board was constituted in June 2015 for a period of three (3) years.

Selection of the Board members is based on a balance of expertise and experience in various disciplines ensuring that different professionals can blend together and give strategic direction to the Council. The Board meets on a quarterly basis to consider projects, various strategic and policy issues and make decisions.

2.3.1 BOARD MEETINGS

The Board convened seven (7) times, four (4) scheduled quarterly meetings and three (3) Special Board Meetings. The number of Board meetings reduced by three (3) as compared to the previous financial year where the Board met 10 times to take care of various pressing transition matters.

The main preoccupation of the Board in the 2017/18 Financial Year was the development of the National Human Resource Development Plan. In all the three (3) Special Board Meetings, the Board convened to make decisions on the National Human Resource Development Plan (NHRDP).

2.3.2 BOARD COMMITTEE MEETINGS

Finance and Audit Committee met six (6) times including two (2) Special meetings.

Funding Committee met four (4) times with no special meetings.

Human Resource Committee met four (4) times with no special meetings.

Procurement Committee met six (6) times including two (2) with special meetings.

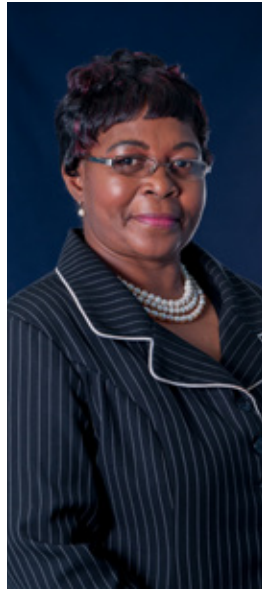
Sector HRD Committee met five (5) times including one (1) Special meeting.

2.4 PROFILES OF BOARD MEMBERS



Mr Batho C. Molomo
Chairperson

He is an Economist and a Statistician with a Bachelor of Arts Double-Major and Master of Science (MSc) in Statistics. He joined the public service in 1978 and retired from the civil service in 2004 as the National Coordinator at the AIDS Coordinating Agency (NACA). He became the founding Executive Secretary of the 'Champions for an HIV-Free Generation' in 2004 until 2013. Cumulatively, Mr Molomo has 35 years of continual service to Botswana's growth before he went into fulltime retirement.



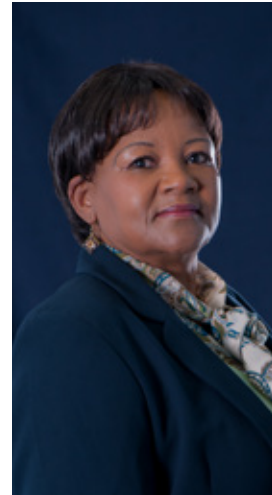
Ms Moggie F. M. Mbaakanyi
Deputy Chairperson

She possesses a Bachelor of Arts Degree and a Concurrent Certificate in Education from the University of Botswana, Lesotho and Swaziland. She graduated from the University of Leeds (UK) with a Postgraduate Diploma in Educational Performance and a Master of Arts (MA) in Educational Administration. She joined the public service in 1976 at the level of a Principal of the Molepolole College of Education and joined the private sector in 1994 after retirement. Ms Mbaakanyi spent 16 years in politics as a Councillor, Member of Parliament and finally as the then Assistant Minister of Education.



Dr Thapelo Matsheka
Member

His career spans over 28 years in the field of economic planning and strategy. He lectured at the University of Botswana (UB) before joining the corporate world. He is the Managing Director of Fiducia Services (Pty) Ltd, a Pension Fund Administration business. He holds a PhD from University of Kent in the United Kingdom (UK).



Ms Kebosweditse Ntebela
Member

She is a Professional Nurse and Educationist. She holds a Master of Business Administration (MBA). Cumulatively, she possesses 36 years work experience in both the private sector and public service. She retired in 2014.

2.4 PROFILES OF BOARD MEMBERS (CONT...)



Mr Kelapile Ndobano
Member

He holds a Master of Arts (MA) in Economics from Columbia University, (New York, USA). He serves as Deputy Secretary for Macroeconomic Policy at the Ministry of Finance and Economic Development. He has over 21 years work experience.



Ms Seilaneng Godisang
Member

She has a Law Degree from the University of Botswana (UB) and is admitted to practice as an attorney in the courts of Botswana. She possesses nine (9) years work experience in both the private practice and corporate bodies among them Collins Newman & Co and Stanbic Bank. She is currently a legal partner at Kelobang Godisang Attorneys.



Dr Grace G. Kgake - Tabengwa
Member

She is the Deputy Director, National Strategy Office (NSO). She was previously the Head and Senior Research Fellow at the think-tank Botswana Institute for Development Analysis (BIDPA) where she specialised in Macroeconomics and policy analysis. She has a Bachelor of Arts (BA) Economics, Master of Science (MSc) in Economics from the University of Warwick (United Kingdom) and a PhD Economics. She has over 18 years experience in development policy analysis.



Ms Ruth Maphorisa
Member

She is a Public Administration graduate with a Master's Degree specialising in Rural Development. She possesses close to 26 years work experience in the public service. Ms Maphorisa is currently the Director at the Directorate of Public Service Management (DPSM).

2.4 PROFILES OF BOARD MEMBERS (CONT...)



Ms Serty Leburu
Member

She has a strong finance background having graduated with B. Commerce Degree from the University of Botswana (UB) and acquired professional accounting qualification (ACMA) and Management Development Programme (MDP). She has a cumulative 26 years work experience, 17 of which she spent at executive leadership. She is currently the Chief Executive Officer at the Botswana Accountancy College (BAC). She was previously the Botswana Housing Corporation (BHC) Deputy Chief Executive Officer (Support Services).



Ms Michelle Adelman
Member

She is the Founder and Managing Director of Accite Holdings and LLC US (Pty) Ltd Botswana, a venture capital firm investing in impact businesses in Botswana. Ms Adelman has an Agricultural and Environmental Engineering degree from Cornell University (USA). She has over 26 years experience as a global Managing Director at Accenture and Group Strategy Executive for Econet Wireless Group.



Ms Helen C. Chilisa
Member

She has about 16 years work experience across sectors of the economy including aviation, hospitality and accounting. She is the Deputy Permanent Secretary at the Ministry of Basic Education. She has a Master of Science (MSc), Degree in International Marketing and an Executive Master of Business Administration in Aerospace Management from the University of Montréal. Ms Chilisa also holds a Master of Business Administration (MBA) in Aerospace Management from the Toulouse School of Business in France.

2.4 PROFILES OF BOARD MEMBERS (CONT...)



Mr Labane E. Mokgosi
Member

He is an educationist who served as a teacher from 1991 – 2001. His expertise covers key positions such as Inspector, Performance Improvement Coordinator and Director in the then Ministry of Education and Skills Development (MOESD) under the Department of Technical and Vocational Education and Training (TVET) and the then Botswana Education Hub (BEH). Mr Mokgosi is serving as Director in the Ministry of Basic Education. He acted as Deputy Permanent Secretary in the then MOESD from October 2015 to August 2016. He is a member of different organisational boards. He is also an author of English Language books for secondary education level and short stories.



Ms Dorcas Phirie
(Alternate HRDC Board Member)

She is the Chief Education Officer in the Department of Tertiary Education, Ministry of Tertiary Education, Research, Science and Technology. This is a policy oriented function and facilitates the Ministry leadership in providing oversight for the Parastatals that fall under the Ministry. Ms Phirie, a Master's Degree holder from Leeds University in the UK has been in the education sector since 1985. Her previous leadership roles have included being Head of Department and Deputy Principal Molepolole College of Education, Coordinator of In-Service Division and Teacher Capacity Building Programme on HIV and AIDS amongst others with in the Ministry of Tertiary Education Research, Science and Technology (MOTE).



Mr Sebetlela Sebetlela
Member

Mr Sebetlela Sebetlela is a Metallurgical Engineer who spent over 30 years in the mining sector, 28 of which were at Debswana Diamond Company where he served at executive management level as General Manager of Jwaneng and Orapa mines, respectively. Mr Sebetlela is the Chairperson of the HRDC Sector Committee on Mining, Minerals, Energy and Water Resources.

Note:

He resigned from the Board in June 2017 to take up other national assignments. The Board continued to operate smoothly with the remaining 12 members and the Alternate member.

Mr Sebetlela however continued to serve the Board in his capacity as the Chairperson of the HRDC Sector Committee on Minerals, Mining, Water and Energy Resources (MMWER).

2.5 BOARD COMMITTEES

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

HRDC Board Committees

1. Funding Committee (FC)

Purpose of Committee: It provides oversight and strategic guidance on the management of the three funds namely; the Human Resource Development Fund (HRDF), the Public Tertiary Education Institutions Fund (PTEIF) and the Tertiary Education Student Support Fund (TESSF) are yet to be established. These funds are meant for funding the education and training sector.

Membership

1.	Dr Thapelo Matsheka – Chairperson
1.	Ms Serty Leburu
2.	Ms Moggie Mbaakanyi
3.	Ms Ruth Maphorisa
4.	Ms Dorcas Phiri
5.	Dr Grace Kgakge-Tabengwa
6.	Mr Thomas M. Ntobedzi
7.	Ms Selebo A. Jobe
8.	Mr Mmetla Masire
9.	Dr Raphael Dingalo (Ex-officio)

2. Human Resource Development Planning Sector Committee (HRDPSC)

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

Membership

1.	Ms Moggie Mbaakanyi – Chairperson
2.	Dr Grace Kgakge – Tabengwa
3.	Ms Dorcas Phirie
4.	All Chairpersons of Sector Committees i. Dr Howard Sigwele - Agriculture Sector ii. Prof Nthabiseng Phaladze - Health Sector iii. Ms Lilly Rakorong - Tourism Sector iv. Mr Phillip Segola - Creative Industries Sector v. Mr Jimmy Mathuba - Public Service Sector vi. Ms Motlagodi Molomo - Manufacturing Sector vii. Mr Tshepo Tsheko - Research, Innovation, Science and Technology (RIST) viii. Mr Norman Sebonego - Information, Communication and Technology (ICT) Sector ix. Dr Comfort Mokgothu -Transport and Logistics Sector x. Ms Phondy Morwaeng - Education and Training Sector xi. Mr Sebetlela Sebetlela - Minerals, Mining, Water and Energy Resource (MMWER) Sector xii. Mr Othata Batsetswe - Finance and Business Sector
5.	Dr Raphael Dingalo (Ex-officio)

2.5 BOARD COMMITTEES (CONT...)

3. Human Resource Committee (HRC)

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

Membership

1.	Ms Helen Chilisa – Chairperson
2.	Ms Ruth Maphorisa
3.	Ms Kebosweditse Ntebela
4.	Ms Seilaneng Godisang
5.	Dr Raphael Dingalo (Ex-officio)

4. Procurement Committee (PC)

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

Membership

1.	Dr Grace Kgakge - Tabengwa – Chairperson
2.	Ms Kebosweditse Ntebela
3.	Ms Michelle Adelman
4.	Mr Faried van Vyke
5.	Dr Raphael Dingalo (Ex-officio)

5. Finance and Audit Committee (FAC)

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

Membership

1.	Ms Serty Leburu – Chairperson
2.	Dr Thapelo Matsheka
3.	Mr Kelapile Ndobano
4.	Ms Seilaneng Godisang
5.	Ms Helen Chilisa
6.	Dr Raphael Dingalo (Ex-officio)

2.6 HRDC BOARD MEETING ATTENDANCE FOR 2017 – 2018 FINANCIAL YEAR

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 regulations.

DATE OF MEETING		TYPE OF MEETING
1.	19 th May 2017	Special Board Meeting
2.	27 th June 2017	Quarterly Board Meeting
3.	3 rd August 2017	Special Board Meeting
4.	5 th September 2017	Quarterly Board Meeting
5.	5 th December 2017	Quarterly Board Meeting
6.	13 th February 2018	Special Board Meeting
7.	6 th March 2018	Quarterly Board Meeting

2017/18 FINANCIAL YEAR

Board Member attendance for 2017/18 Financial Year was 67 percent.

2.6.1 FINANCE AND AUDIT COMMITTEE MEETINGS FOR 2017 – 2018 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	24 th April 2017	Special HRDC Board Finance and Audit Committee Meeting
2.	29 th May 2017	Quarterly HRDC Board Finance and Audit Committee Meeting
3.	7 th August 2017	Quarterly HRDC Board Finance and Audit Committee Meeting
4.	28 th August 2017	Special HRDC Board Finance and Audit Committee Meeting
5.	13 th November 2017	Quarterly HRDC Board Finance and Audit Committee Meeting
6.	12 th February 2018	Quarterly HRDC Board Finance and Audit Committee Meeting
TOTAL NUMBER OF MEETINGS CONVENED =		SIX (6)

FINANCE AND AUDIT COMMITTEE MEETINGS ATTENDANCE FOR 2017/18 FINANCIAL YEAR

Finance and Audit Committee attendance for 2017/18 Financial Year was 70 percent.

2.6.2 FUNDING COMMITTEE MEETINGS FOR 2017 – 2018 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	5 th June 2017	Quarterly HRDC Funding Committee Meeting
2.	8 th August 2017	Quarterly HRDC Funding Committee Meeting
3.	7 th November 2017	Quarterly HRDC Funding Committee Meeting
4.	6 th February 2018	Quarterly HRDC Funding Committee Meeting
TOTAL NUMBER OF MEETINGS CONVENED =		FOUR (4)

FUNDING COMMITTEE MEETINGS ATTENDANCE FOR 2017/18 FINANCIAL YEAR

Funding Committee attendance for 2017/18 Financial Year was 72.5 percent.

2.6.3 PROCUREMENT COMMITTEE MEETINGS FOR 2017 – 2018 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	20 th April 2017	Special Board Procurement Committee Meeting
2.	9 th May 2017	Special Board Procurement Committee Meeting
3.	2 nd June 2017	Quarterly Board Procurement Committee Meeting
4.	8 th August 2017	Quarterly Board Procurement Committee Meeting
5.	7 th November 2017	Quarterly Board Procurement Committee Meeting
6.	6 th February 2018	Quarterly Board Procurement Committee Meeting
TOTAL NUMBER OF MEETINGS CONVENED =		SIX (6)

PROCUREMENT COMMITTEE MEETINGS ATTENDANCE FOR 2017/18 FINANCIAL YEAR

Procurement Committee attendance for 2017/18 Financial Year was 70.2 percent.

2.6.4 HUMAN RESOURCE COMMITTEE MEETINGS FOR 2017 – 2018 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	5 th June 2017	Quarterly HRDC Board Human Resource Committee Meeting
2.	9 th August 2017	Quarterly HRDC Board Human Resource Committee Meeting
3.	16 th November 2017	Quarterly HRDC Board Human Resource Committee Meeting
4.	9 th February 2018	Quarterly HRDC Board Human Resource Committee Meeting
TOTAL NUMBER OF MEETINGS CONVENED =		FOUR (4)

HUMAN RESOURCE COMMITTEE MEETINGS ATTENDANCE FOR 2017/18 FINANCIAL YEAR

Human Resource Committee attendance for 2017/18 Financial Year was 75 percent.

2.6.5 SECTOR HRD COMMITTEE MEETINGS FOR 2017–2018 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	1 st June 2017	Quarterly Sector HRD Committee Meeting
2.	10 th August 2017	Quarterly Sector HRD Committee Meeting
3.	13 th September 2017	Special Sector HRD Committee Meeting
4.	9 th November 2017	Quarterly Sector HRD Committee Meeting
5.	8 th February 2018	Quarterly Sector HRD Committee Meeting
TOTAL NUMBER OF MEETINGS CONVENED =		FIVE (5)

SECTOR HRD COMMITTEE MEETINGS ATTENDANCE FOR 2017/18 FINANCIAL YEAR

Sector HRD Committee attendance for 2017/18 Financial Year was 72 percent.

2.7 SECTOR COMMITTEE CHAIRPERSONS

The key mandate of a Sector HRD Committee is to develop sector specific HRD Plans which serve to define the skills requirements for the sector and advise training institutions as well as Government to respond accordingly. See pages 38 - 40 for the list of members of the Sector HRD Committees.



Ms Lilly Rakorong
Tourism Sector



Dr Howard Sigwele
Agriculture Sector



Mr. Jimmy Mathuba
Public Service Sector



Professor Nthabiseng Phaladze
Health Sector



Mr Tshepo Tsheko
Research, Innovation,
Science and Technology
(RIST) Sector



Mr Norman Sebonego
Information
Communication and
Technology (ICT) Sector



Mr Sebetlela Sebetlela
Minerals, Mining, Water
and Energy Resource
(MMWER) Sector



Ms Phondy Morwaeng
Education and Training
Sector



Ms Motlhagodi Molomo
Manufacturing Sector



Mr Othata Batsetswe
Finance and Business
Sector



Mr Phillip Segola
Creative Industries
Sector



Dr Comfort Mokgothu
Transport and Logistics
Sector



2.8 CHIEF EXECUTIVE OFFICER'S STATEMENT



I have the honour to present the annual report and audited financial statements of the HRDC that comprehensively reflects the essentials of the Council's operations and accounts for the work carried under the period of 1st April 2017 to 31st March 2018.

The 2017/18 financial year is the second year of implementation of the HRDC Strategic Plan 2016-2021 which guides the execution and delivery of the HRDC mandate. The highlights for the year are;

National Human Resource Development Plan

HRDC made great strides in the development of the National Human Resource Development Plan which will be an essential guide in skills development and address the mismatch of supply and demand of labour skills. The development of the plan is at completion phase and will be finalised and submitted to the relevant structures in the coming financial year for commissioning. HRDC has continued to implement the quick-wins initiatives identified by the various sector committees while awaiting the national human resource development plan.

Labour Market Observatory (LMO)

As part of revitalizing the LMO, HRDC has developed the indicators to be monitored through the Labour Market Information System. This includes, among others, variables relating to employment (such as status of employment, unemployment, under-employment), skills mismatch, educational attainment and illiteracy, wages and compensation costs, economy-wide indicators as well as labour productivity. The LMO governing structures have been constituted and the LMO Website was also revamped and is live at:

www.botswanalmo.org.bw

2.8 CHIEF EXECUTIVE OFFICER'S STATEMENT (CONT...)

Institutional Planning and Student Affairs Services Norms & Standards

Capacity building of tertiary education institutions on development of institutional plans covering the key components of governance planning, academic planning, enrolment planning, infrastructure planning and financial planning was conducted.

Consultations with tertiary education institutions have identified learner support planning and research planning as critical components. Monitoring and evaluation of plan implementation was carried out on institutions which had developed plans.

HRDC also developed and launched norms and standards to guide institutions on addressing issues of learner support. The Minimum Implementation Package addresses key support areas such as health and wellness, counselling and academic support.

Botswana Human Resource Development Skills Fair and Career Clinics

This annual event was successfully hosted in the city of Francistown to cater for the northern region and in the capital city of Gaborone to cater for the southern region of the country. This initiative is a one-stop shop that brings together Tertiary Education Institutions, Human Resource Development Sector Committees and the Learners with the primary aim of providing necessary information for making career choices by learners and also accord them an opportunity for on spot applications. This year's event had total attendance of about 25 000 students.

National Human Resource Development Conference

The Inaugural National Human Resource Conference was launched under the theme "Competitive Human Resource- A leading driver for the economy in the 21st Century". HRDC intends to continually implement this platform for information sharing on best practices and innovations for addressing human resource development issues as a biennial event.

Stakeholder Engagement

HRDC has continued to take its services to the stakeholders through consultative and capacity building workshops and breakfast seminars. In order to strengthen public awareness about HRDC mandate, we made briefings to seven district councils across the country and conducted open-day events targeting the general public in Palapye, Maun and Ghanzi.

HRDC embarked on some Corporate Social Responsibility (CSR) initiatives and adopted Malatswae Primary School where the organisation has made donations on stationery, reprographics, school uniform and sponsorship of school events. HRDC partnered with Sebilo Books to equip East Hanahai Primary School with books and computers for the library. These initiatives go a long way in contributing to early childhood development.

We have also been able to send four women from the villages of Bere and Qabo in Ghanzi District for a training on solar electrification at Barefoot College in India as a way of promoting life-long learning.

I wish to conclude by committing that HRDC will continue to keep up with the principles of good governance in its business. I am confident that with the able guidance of the Board, commitment and support of all staff, the HRDC will succeed in delivering its mandate. I would also like to recognise the support from the Government as well as our strategic partners, sector committee's members and stakeholders we work with in driving the national human resource development agenda.



Dr Raphael Dingalo
Chief Executive Officer
HUMAN RESOURCE DEVELOPMENT COUNCIL
(HRDC)

2.9 EXECUTIVE MANAGEMENT TEAM



Dr Raphael Dingalo
Chief Executive Officer



Mr Meshack J. Tafa
Chief Operations Officer



Mr Ralph Maganu
Director, Corporate Services



Dr Fernando Siamisang
Director, Human Resource
Development Planning (Demand)



Dr Ellah Matshediso
Director, Human Resource
Development Planning (Supply)

2.9 EXECUTIVE MANAGEMENT TEAM (CONT...)



Ms Masingoaneng B. Ramodimoosi
Board Secretary



Mr Mothusi Masole
Director, Funding



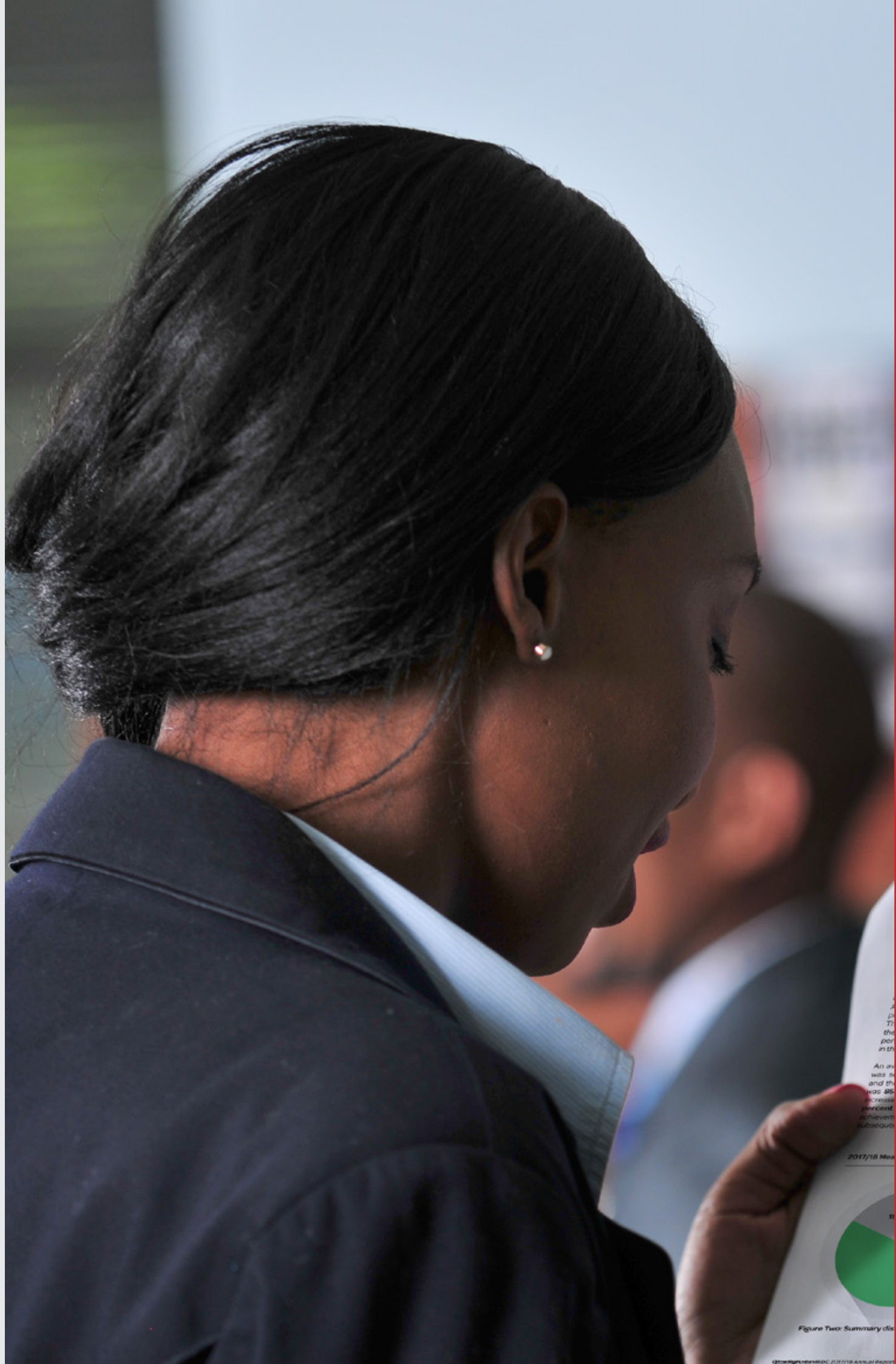
Ms Masego I. Mokubung
Acting Director, Statistics Research
Development & Innovation



Ms Matshepo Rapulane
Director, Human Resource



Mr Matthews Phiri
Manager, Strategy Office



An average of 5.5% was achieved in the 2017/18 financial year, which was a significant improvement on the 4.5% achieved in the 2016/17 financial year.

2017/18 Measured



Figure Two: Summary of

3.0 OPERATIONAL REPORTS

for the year ended 31 March 2018

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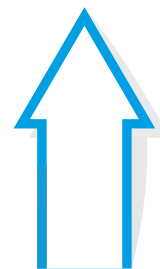


3.1 ORGANISATIONAL PERFORMANCE 2017/18

The 2017/18 Financial Year is the second year running of implementation of the first five (5) year HRDC Strategic Plan (2016-2021) in our pursuit to achieve our Vision: **“To make Botswana’s Human Resource Globally Competitive by 2026.”** The 2017/18 Corporate Plan sets out our priorities for the year in line with implementation of the strategy objectives. The HRDC Corporate Annual Plan had **39** measures to monitor progress in the implementation of our initiatives. The organisational performance score for the year is therefore given by the average performance of the 2017/18 measures as set out in the annual corporate plan.

At the end of the year HRDC achieved **85.2 percent** compared to performance score of **84 percent** in the previous year (2016/17). The key achievements on the plan are discussed in the subsequent sections of this report.

85.2 %
PERFORMANCE
2 0 1 7 / 1 8



**PERFORMANCE
INCREASE**

84 %
PERFORMANCE
2 0 1 6 / 1 7

2017/18 Measure Performance Distribution

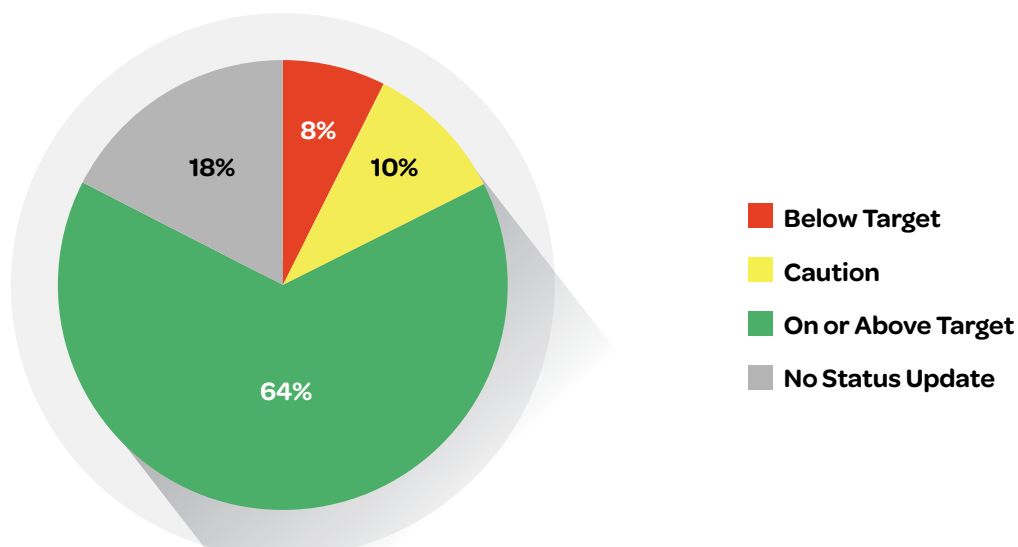


Figure Two: Summary distribution performance of the 2017/18 Annual Corporate Plan measures.

3.2 DETERMINING DEMAND FOR HUMAN RESOURCE DEVELOPMENT

ACHIEVEMENTS

DEVELOPMENT OF THE NATIONAL RESOURCE DEVELOPMENT PLAN

The development of the National Human Resource Development Plan which started in 2017, is at an advanced stage with the final Plan expected to be complete in July 2018. The Plan is expected to be complemented by the Implementation Plan as well as the Monitoring and Evaluation (M&E) plan together with the costing plan.

DEVELOPMENT OF SECTORAL HUMAN RESOURCE DEVELOPMENT (HRD) PLANS

The Manufacturing Sector Skills Report (Sector Plan) was completed in March 2018 bringing the total number of completed Sectoral HRD Plans to five (5). These are, Mining, Minerals, Energy and Water Resources (MMEWR), Agriculture, Tourism, Health and Manufacturing Sectors.

MINING, MINERAL ENERGY AND WATER RESOURCES (MMEWR) SECTOR INITIATIVE

The MMWER Sector has partnered with the Botswana Chamber of Mines (BCM), GIZ and Technical Vocational Education and Training (TVET) Institutions to review programmes for developing Artisans. To date, 90 Artisans have graduated and preliminary Tracer Study was

carried out six (6) months after completion of study with 50 percent (45 respondents) response rate. As demonstrated in Chart One the study has indicated that 20 percent of the respondents have been employed, 20 percent were self-employed, while two (2) percent of the respondents were on further studies. Chart Two below indicates that; 20 percent nine (9) Artisans, 78 percent seven (7) Artisans were employed in the Mining Sector and 22 percent (2) Artisans were employed in the Automotive Sector.

Employment Status

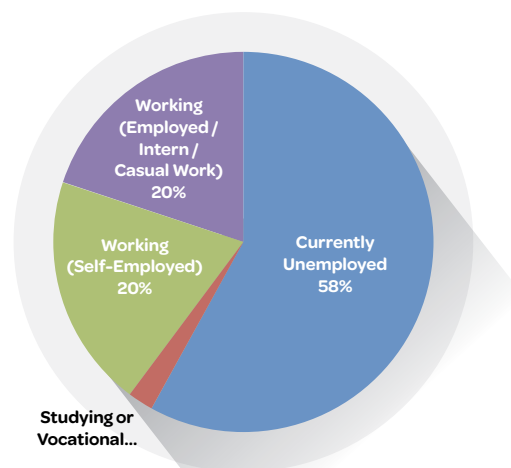
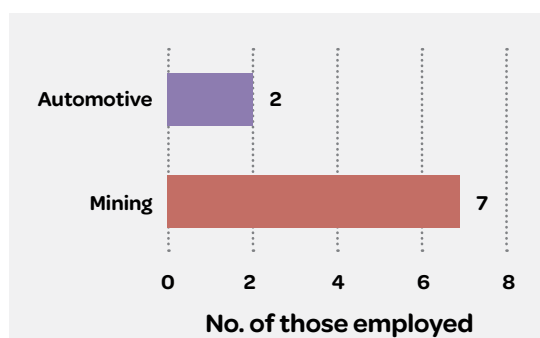


Chart One: Distribution of the self-employed by Industry

Employed by Industry Sector



Self-employed by Industry Sector

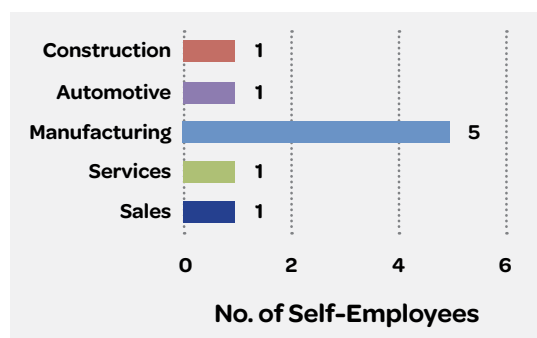


Chart Two (I and II): Distribution of the self-employed by Industry

3.2 DETERMINING DEMAND FOR HUMAN RESOURCE DEVELOPMENT (CONT...)

All respondents indicated that they were working in the field they have been trained for and found the training useful for the job they have been employed for. It is worth noting that, 56 percent of the Artisans were employed by companies they were attached to during training. This indicates positive results of partnership between tertiary institutions and the industry.

CREATIVE INDUSTRIES SECTOR INITIATIVES

The Creative Industries Sector Committee undertook a Monitoring and Evaluation (M&E) visit in September 2017, as a follow up to the Creative Arts and Performing Arts (CAPA) training project which was implemented in March 2017 in the Chobe Region. All the 10 schools in the Region namely; Mabele, Parakarungu, Satau, Kavimba, Kachikau, Pandamatenga, Lesoma, Kazungula, Plateau and Kasane Primary schools were visited. The objectives of the M&E visit were to; assess the level of impact the pilot CAPA training had on the in-service teachers; evaluate CAPA achievements and analyse key CAPA challenges; investigate how learners rate their CAPA learning experience and make recommendations on how CAPA teaching can be further enhanced.

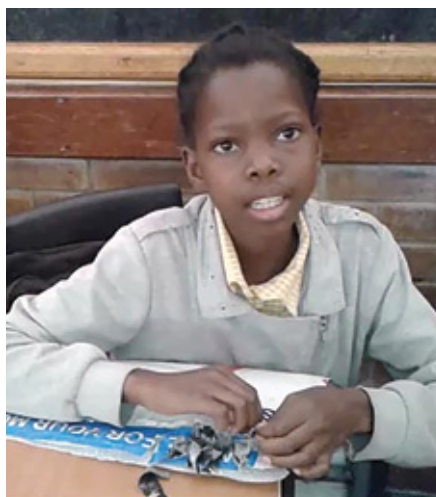
The M&E revealed positive impact in the teaching and learning of the CAPA subjects on both the teachers and the learners. It was noted that currently the teachers had a positive attitude towards CAPA and are able to use CAPA cross-curricular to enhance teaching in other subjects. Most of the trained teachers share their learning experiences with their peers in their respective schools. They have also embraced the use of local indigenous materials for teaching and encouraged formation of groups in the school. The learners on the other hand have developed creative thinking skills in their learning process.

However, the evaluation also revealed that there is still need to, improve the teaching of the CAPA in terms of decongesting it and reviewing of the syllabus, train the CAPA teachers to efficiently deliver the content and avail resources for efficient delivery of the CAPA. The next steps for the Committee is to hand-over the project to the Ministry of Basic Education for further action.



Some of the Creative Arts and Performing Arts (CAPA) projects from Chobe Region Schools

3.2 DETERMINING DEMAND FOR HUMAN RESOURCE DEVELOPMENT (CONT...)



Some of the Creative Arts and Performing Arts (CAPA) projects from Chobe Region Schools

CREATIVE INDUSTRIES SECTOR - PARTNERSHIP

The Creative Industries have gained prominence worldwide as a viable and important source of economic growth. This is because cultural and creative industries are not a finite resource and have the potential for employment creation, economic diversification and income generation. The success of this sector is dependent on the availability of skilled personnel, finance, relevant policies and infrastructure. To this end, public private partnerships are essential for the growth of the creative industries in Botswana, especially in terms of harnessing intellectual property (IP), indigenous knowledge systems, creativity, innovation, multimedia, Information Communication & Technology (ICT), branding, marketing as well as incubation of viable business ideas. It is in this regard that the Creative Industries Sector Committee has seen the need to establish viable partnerships with key stakeholders to fully harness the potential of this sector. These stakeholders can assist in supporting and training the sector in the various areas such as business skills, research, prototyping, marketing and branding.

The Sector committee held a stakeholder workshop on 15th March 2018 with a broad aim of forging partnership with key stakeholders in the development of the Creative Industries. The aims of the workshop were among others to: sensitise stakeholders about the role of the Sector Committee in the establishment of the creative industries and outline key areas of development; identify possible areas of cooperation; and discuss ways in which such cooperation can benefit both the creative industries, stakeholders and the economy of the country. The workshop attracted potential partners in the Creative field from varied organisations which ranged from Business, Parastatals, Banking, Development Partners, Training Institutions, and Government Ministries etc.

CHALLENGES

The challenges centre mainly on issues of:

- Lack of quality labour market data to facilitate the Human Resource Development (HRD) Planning process.
- Inadequacy and uncoordinated futuristic/strategic Sectoral Development Plans to inform HRD Plans.

3.2.1 MEMBERSHIP OF ALL 12 SECTOR COMMITTEES

1) TOURISM SECTOR COMMITTEE

1. Ms Lily Rakorong – Chairperson

2. Mr. Montle Siya
3. Mr Kudzani Nlasha
4. Ms. Kelebaone Maselesele
5. Mr. Rex B. Mokandla
6. Mr Frank Limbo
7. Mr Onkemetse Joseph
8. Mr. Mpho Moruakgomo
9. Dr. Phumzile Magagula-Thobokwe
10. Mr Gokgathang T. Moalosi
11. Mr Kerebotswe E. Makhubela

2) AGRICULTURE SECTOR COMMITTEE

1. Dr. Howard K. Sigwele – Chairperson

2. Mr. Boikaego Phole
3. Mr. Blom Lekoma
4. Mr. Mooketsi Ramatlapeng
5. Dr. Ezekiel Chimbombi
6. Mr. Abel Modimo
7. Dr. Wame Boitumelo
8. Mr. David Headman
9. Mr. Harry E. Johnson
10. Mr. Ishmael Mosinyi
11. Prof. Samodimo Ngwako
12. Dr. Keoagile Molapong
13. Mr. Japhta Radibe
14. Ms. Segomotso S. Chimbombi

3) MINING, MINERALS, ENERGY AND WATER RESOURCES SECTOR COMMITTEE

1. Mr. Sebetlela Sebetlela – Chairperson

2. Mr. Charles Siwawa
3. Dr. Obolokile Thothi Obakeng
4. Mr. Tom Millard
5. Prof. Tunde Oladiran
6. Mr. Mmetla Masire
7. Mr. M. Mokakapadi
8. Mr. Tiyapo Hudson Ngwisanyi
9. Mr. Labane Mokgosi
10. Dr. Kobamelo Dikgola
11. Mrs. Sandra Pabalinga
12. Mr. Martin Cowley
13. Mr. Jack Tlhagale

4) INFORMATION COMMUNICATION AND TECHNOLOGY SECTOR COMMITTEE

1. Mr. Norman Sebonego – Chairperson

2. Mr. Cecil Masiga
3. Prof. Kgomotso H. Moahi
4. Mr. Billy Batlegang
5. Mr. Boikanyo Chilume
6. Mr. David Serojane
7. Ms. Keolebogile Rantsetse
8. Mr. John Vassiliadis
9. Mr. Letsapa Mojaphoko
10. Ms. Matshidiso Mosalagae
11. Ms. Naledi Mooketsane
12. Mr. Pontsho Pusoetsile
13. Mr. Teko Monko
14. Ms. Thato Kewakae
15. Mr. Lazarus Motlhabane

3.2.1 MEMBERSHIP OF ALL 12 SECTOR COMMITTEES (CONT...)

5) FINANCE AND BUSINESS SERVICES SECTOR COMMITTEE

1. Mr. Othata Batsetswe – Chairperson

2. Mr. Alvin Yalala
3. Ms Batlhaedi Atamelang
4. Mr. Richard Nlebesi
5. Mr. Oabile Mabusa
6. Ms. Nosipho Ditlhabi
7. Ms. Monica Moalosi
8. Ms. Zoe Isaacs
9. Mr. Tony Mautsu
10. Mr. Tirelo Leshetla
11. Dr. Tapiwa Gande
12. Mr. Jayson Chakalisa
13. Dr. Justice Gaeonale
14. Mr. Milikani Chilisa
15. Ms. Amogelang Mokobela

6) CREATIVE INDUSTRIES SECTOR COMMITTEE

1. Mr. Lesiga P. Segola – Chairperson

2. Ms. Neo Matome-Harun
3. Mr. Gaokgakala Lemmenyane
4. Mr. Kaelo Sabone
5. Ms. Shirley Nkepe
6. Mr. Gregory Lebekwe
7. Mr. Dean Molebatsi
8. Mr. Jameela T. Gilika
9. Mr. Thabiso Mashaba
10. Mr. Bafana Pheto
11. Mr. Japhta B. Radibe
12. Ms. Segomotso S. Chimbombi

7) HEALTH SECTOR COMMITTEE

1. Prof. Nthabiseng Phaladze – Chairperson

2. Dr. Boipelo Mariri
3. Mr. Duncan Thela
4. Dr. Bangwato Sikwa
5. Ms. Thokgamo Boitshwarelo
6. Mr. Moakanyi Seile
7. Dr. Malaki Tshipayagae
8. Dr. Kelly Kgosibodiba
9. Dr. Oathokwa Nkomazana
10. Ms. Dikeledi Phefo
11. Mr. Mothusi Brian Mooketsi
12. Dr. Mosepele Mosepele
13. Mrs. Yonnie Otukile

8) EDUCATION AND TRAINING SECTOR COMMITTEE

1. Ms. Phondy Morwaeng – Chairperson

2. Dr. Wapula Raditloaneng
3. Ms. Mphoentle Mathodi
4. Sir Wonder Masebola
5. Dr. Moreetsi Thobega
6. Mr. Richard Molefe
7. Mr. Cassius Mmopelwa
8. Dr. Nephious Mwandila
9. Mr. Jeff Mzwini
10. Ms. Lillian Moremi
11. Ms. Tebogo Gwaila- Morolong
12. Ms. Thato Buckland
13. Ms. Gorata Kewakae
14. Mr. Mothusi Kgaladua
15. Mr. Bakani Thothe
16. Mr. Jerry Moloko

3.2.1 MEMBERSHIP OF ALL 12 SECTOR COMMITTEES (CONT...)

9. PUBLIC SECTOR COMMITTEE

1. Mr. Jimmy Mathuba – Chairperson

2. Mr. Bajaki Chika
3. Ms. Maele Lele Keakitse
4. Ms. Lesedi Mojela
5. Ms. Beauty Wright
6. Ms. Goitseman Tsidimane
7. Mr. Mothusi James
8. Mr. Lovemore Mawila
9. Ms. Medy Moatshe
10. Mr. Faried Van Wyk
11. Ms. Bitsang Kgosi
12. Mr. Baitshepi Tebogo
13. Ms. Maelagongwe R. Dintwe
14. Dr. Violet Essilfie
15. Ms. Pauline Jonas

10. TRANSPORT & LOGISTICS SECTOR COMMITTEE

1. Dr. Comfort Mokgothu – Chairperson

2. Mr. Fred Mabonga
3. Mr. Johnson Thupane
4. Ms. Priscilla Mpondori
5. Ms. Mpho Monametsi
6. Mr. Gobusamang Keebine
7. Mr. Patrick Masikara
8. Ms. Masego Bethel
9. Mr. Claude Kamangirira
10. Mr. Moses Sebolai
11. Mr. Victor Tshambane
12. Ms Saniso Sakuringwa
13. Mr. Vincent B. Molefe
14. Mr. Lucky Kgosithebe

11. RESEARCH, INNOVATION, SCIENCE AND TECHNOLOGY SECTOR COMMITTEE

1. Mr. Tshepo Tsheko – Chairperson

2. Mr. Timothy L. Moalusi
3. Ms. Lesego Motoma- Thamae
4. Prof. Daniel Motlhanka
5. Ms. Joyce Bannyaditse
6. Prof. Elisha Toteng
7. Prof. Gabriel Anabwani
8. Ms. Nani Leteane
9. Mr. Oscar Chiwira
10. Ms. Simisane Mosalakatane
11. Prof. Shedden Masupe
12. Mr. Uyapo Ronald
13. Mr. Outule Rapuleng
14. Dr. Andrew Molwane

12. MANUFACTURING SECTOR COMMITTEE

1. Ms. Motlhagodi Molomo – Chairperson

2. Mr. Bonny Wadikonyana
3. Mr. Shahid Ghafoor
4. Mr. Motsholathebe Kutoro
5. Mr. Fredy Morwaagole
6. Mr. Duncan Kgame
7. Mr. Vincent Selema
8. Mr. Ndulamo Chingapani
9. Mr. Johnson Maiketso
10. Ms. Patricia Tomlinson
11. Dr. Shorn Molokwane
12. Dr Samuel Mosweu
13. Ms. Mareanyana Selelo
14. Mr. Dallas Ntopo
15. Mr. Mahesh Shukla
16. Mr. Meshack Ramatu
17. Mr Ramokgoma Kaisara
18. Mr. Nixon Marumoloa

3.3 COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT (HRD) REPORT

WORKPLACE LEARNING SUPPORT

In the financial year under review, HRDC continued with capacity building workshops and support visits to Workplaces. A total of five (5) workshops were conducted in five (5) places namely; Tsabong, Francistown, Jwaneng, Letlhakane / Orapa and Lobatse. Ninety Seven (97) companies cutting across 12 sectors attended the workshops.



Workplace Learning Workshops in Tsabong

INVITED VS ATTENDED

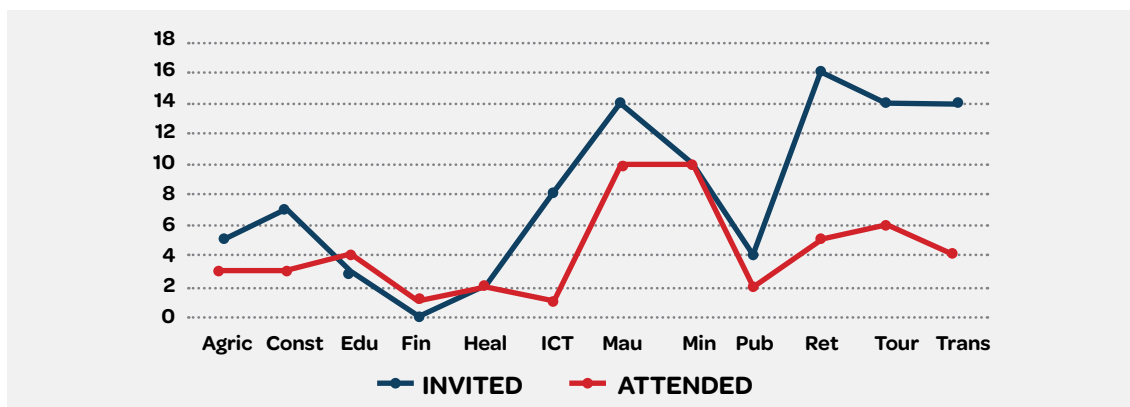


Chart Three: Capacity Building Workshops by Sector in 2017/18

Workplace support visits were carried out in Workplaces in five (5) towns and villages across Botswana where workshops were conducted. A total of 104 companies out of 108 honoured invitations to host HRDC Workplace support visits.

3.3 COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT (HRD) REPORT (CONT...)

INVITED VS VISITED

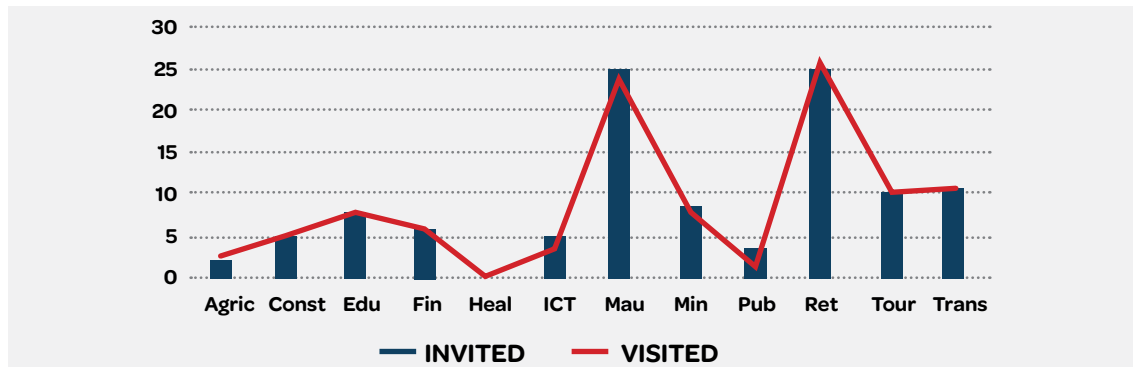


Chart Four: Workplace Visit by Sector in 2017/18

WORK SKILLS TRAINING PLANS

In an effort to promote Workplace Learning, HRDC has introduced Work Skills Training Plans and continues to capacitate Workplaces. In an endeavour to institutionalise Workplace Learning, HRDC has prioritised submission of Plans in a bid to promote workplace training that is in line with skills needs of the employees. In addition, Work Skills Training Plans are pivotal to providing information on alignment to national skills needs as well as informing the Sector Skills Plans.

SUBMISSIONS OF WORK SKILLS TRAINING PLANS RECEIVED BY SECTOR IN 2017/18

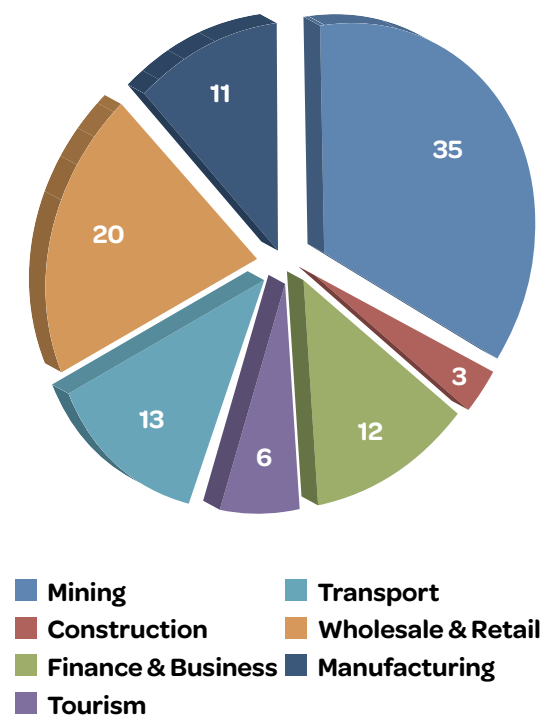


Chart Five: Submissions of Work Skills Training Plans Received by Sector in 2017/18

3.3 COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT (HRD) REPORT (CONT...)

STUDENT AFFAIRS SERVICES (SAS) NORMS AND STANDARDS

In a quest to improve learner support, HRDC has developed Student Affairs Services (SAS) Norms and Standards and are accompanied by Implementation Guidelines with a Minimum Implementation Package (MIP) defined to guide institutions.

On the 7th December, 2017, Honourable Fidelis Molao, Assistant Minister of Tertiary Education, Research Science and Technology (MoTE) launched the said SAS Norms and Standards. The launch which took place at the Botswana International University of Science and Technology (BIUST) in Palapye, was attended by Executive Management of the Tertiary Education Institutions accompanied by SAS Practitioners as well as student leaders. The event was attended by 39 institutions, 14 private and 25 public. The launch was preceded by capacity building workshops for BIUST staff (Academic & Non Academic) and Student Leaders.

INSTITUTIONS THAT ATTENDED THE SAS NORMS AND STANDARDS LAUNCH

Type of institutions attending the launch of the SAS Norms and Standards

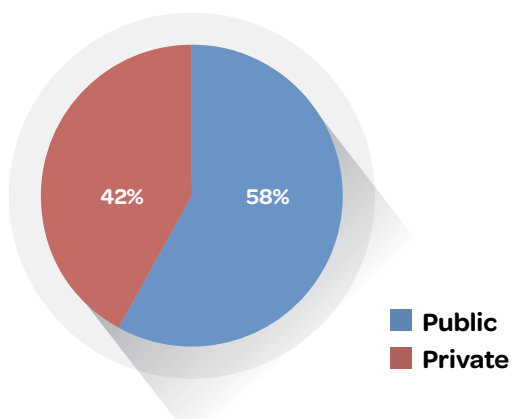


Chart Six: Institutions that attended the SAS Norms and Standards Launch by type

TERTIARY EDUCATION INSTITUTIONS STUDENT LEADERSHIP TRAINING

HRDC annually conducts Student Leadership Training for all Tertiary Education Institutions Student Leaders. The objective of the training is to empower them with leadership skills. The majority of the participants who attended the training were from private institutions (56%) as opposed to public schools (44%) as shown by the Chart Seven below:

INSTITUTIONS THAT PARTICIPATED IN THE STUDENT REPRESENTATIVE COUNCILS TRAINING

Student Representative Councils Leadership Training Workshop

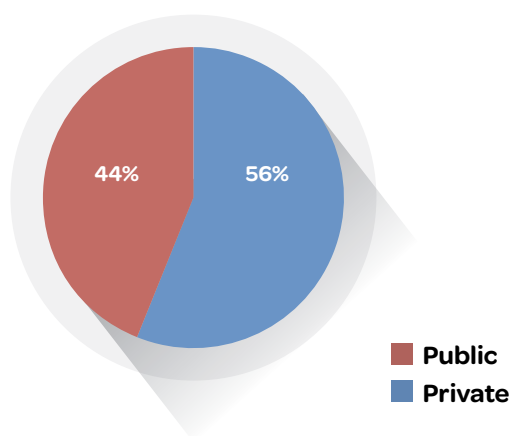


Chart Seven: Institutions that participated in the Student Representative Councils Training by type

3.3 COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT (HRD) REPORT (CONT...)



Learners paying attention to the institution displays at the Northern BHRDS Skills Fair in Francistown

BOTSWANA HUMAN RESOURCE DEVELOPMENT SKILLS (BHRDS) FAIR AND CAREER CLINICS 2018

The Northern and Southern BHRDS Fair and Career Clinics were held on the 7th to 9th March 2018 and 19th to 24th March 2018 in Francistown and Gaborone respectively. Honourable Dr Alfred Madigele, Minister of Tertiary Education, Research, Science and Technology officiated in the Southern Fair while Professor Brian Mokopakgosi, Botswana Examination Council's (BEC) Executive Secretary presided at the Northern BHRDS Fair.

Since its inception nine (9) years ago, BHRDS has grown tremendously with regards to numbers of learners attending the fair and participating institutions which now include international players. Charts Eight and Nine below illustrate the total Number of Exhibitors that participated in the Northern BHRDS Fair by Type and Total Number of Exhibitors that participated in the Southern BHRDS Fair by Type respectively.

EXHIBITORS THAT PARTICIPATED IN THE NORTHERN BHRDS FAIR

Northern Botswana BHRDS Fair and Career Clinics 2018

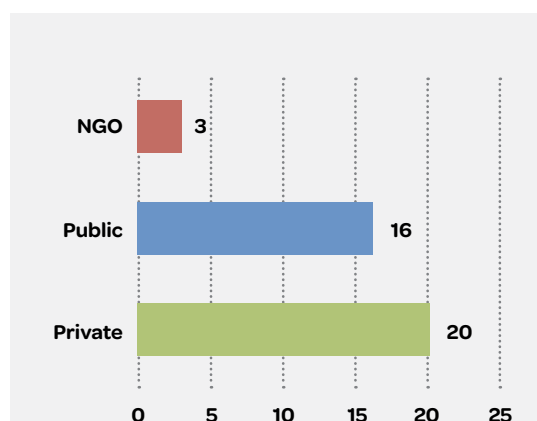


Chart Eight: Exhibitors that Participated at the Northern BHRDS Fair by Type

3.3 COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT (HRD) REPORT (CONT...)

Southern BHRDS Fair and Career Clinics 2018

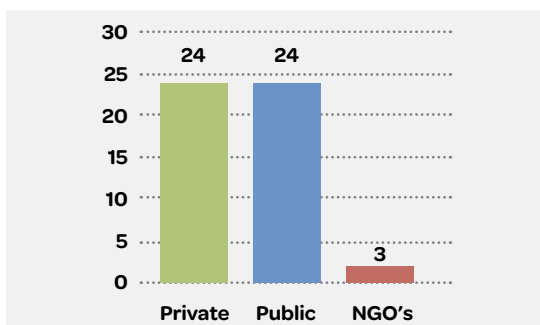


Chart Nine: Exhibitors that Participated in the Southern BHRDS Fair by Type

INSTITUTIONAL PLANNING

During the 2017/18 plan period the Department of Human Resource Development Planning (Supply) capacitated 67 institutions comprising both Public and Private entities.

INSTITUTIONS CAPACITATED ON INSTITUTIONAL PLANNING

Out of the 67 institutions capacitated, 28 submitted their draft plans having been given further guidance and support by the Institutional Planning Unit. Chart 10 below shows the different classifications and the extent of their responses.

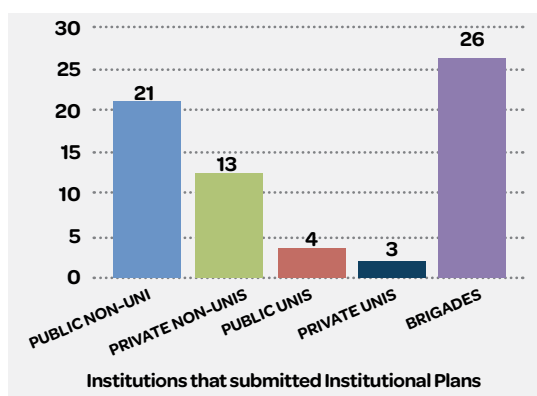


Chart 10: Institutions capacitated on Institutional Planning

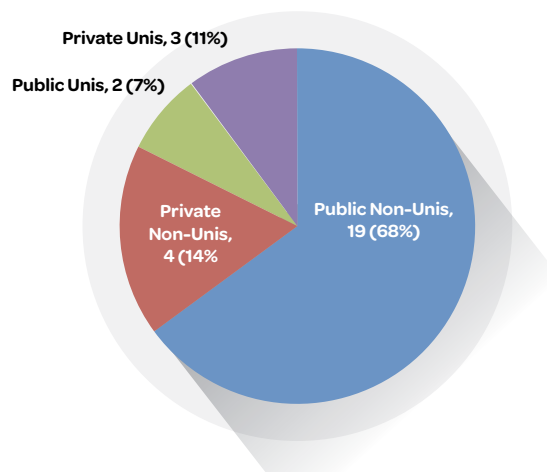


Chart 11: Institutions that Submitted Institutional Plans

The Institutional Planning Technical Review Committee was established with the mandate to advise HRDC on: Institutional Planning across all Tertiary Education Institutions (TEIs); overseeing the development and implementation of monitoring and evaluation systems for implementation of plans; monitoring the development of TEIs institutional plans development and making recommendations for approval. Additionally, participating and providing inputs to the TEIs planning exercise to ensure alignment to the National Human Resource Development Strategy (NHRDS), National Human Resource Development Planning (NHRDP), National Development Plan (NDP) 11 and Vision 2036. The Committee is chaired by Director- Human Resource Development Planning (Supply) and comprises of Senior Members of staff from Botswana Qualifications Authority (BQA) - Quality Assurance Section and Managers from the different HRDC Departments. The Manager- Institutional Planning is the Secretary to this Institutional Planning Technical Review Committee.

3.3 COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT (HRD) REPORT (CONT...)

CHALLENGES:



1. Limited expertise locally.

This challenge has led to delay in procuring the services of a consultant for development of the policy and framework for Workplace Learning. The other reason for the delay was termination of the Consultancy Services procured due to failure to deliver according to the Consultancy Terms of References (ToRs).

3.4 FUNDING WORKPLACE TRAINING AND SKILLS DEVELOPMENT

ACHIEVEMENTS

HUMAN RESOURCE DEVELOPMENT FUND (HRDF)

HRDC continued its mandate of managing the Human Resource Development Fund (HRDF) that was established to finance Work - Place Learning.

For the year under review, the Training Levy collection was P300 million as compared to P292 million reported in the previous year. Furthermore, the HRD Fund realised a surplus of P28million in the current year as compared to a deficit of P87million that was realised in the previous year. Although the Training Levy collection has been consistent, notable strides were made to improve on the utilisation of the Training Levy for skills development. The initiatives undertaken during the year included intensifying Levy Payers uptake and utilisation, support including continuous review of processes and procedures. The achievement as per the strategic objectives are as follows:

OPTIMISING FUND UTILISATION

The level of uptake as measured by the number of companies claiming from the HRD Fund against the total number of Levy Payers contributing into the Fund was set at **18 percent**. The actual achieved for the year under review was **20 percent**.

HRD Fund utilisation rate as measured by the total value of claims paid as a percentage of the total levy collected for the same period was 66 percent. The figure is relatively high compared to the level of uptake because employers are incentivised to promote skills development.

OPTIMISING FUND ADMINISTRATION

The optimisation in the administration of the Fund is measured in terms of the effectiveness of the processes in delivering timely service to the clients.

The effectiveness of the HRD Fund administration as measured by the number of applications processed relative to the number of applications received was 98% against a year target of 95 percent. It is worth noting that, **82 percent** of long outstanding claims were also resolved with the remaining claims awaiting availability of Funds for the respective Levy Payers.

The turnaround time in the processing and payment of claims also improved from six months in 2016 to four weeks as at the end of the year.

These positive changes came about because clients are now submitting complete claims that require less time and effort to process.

Table One below present the percentage of processed and paid claims during the year under review as compared to the financial year 2016/17. There is no significant change in the number of claims received. However there is a notable improvement in the number of claims processes.

Table One: Number of claims processed during the Financial Year 2016/17 as compared to 2017/18.

FINANCIAL YEARS	Claims processed during the year 2016/17	Claims processed during the year 2017/18
Total claims for the period to date	5677	5626
Approved and Paid claims for period to date	(4768)	(5186)
Approved (pending accumulation of funds)	(284)	(337)
Balance as at 31 March 2018	625	103
Percent of processed claims	89 percent	98 percent

3.4 FUNDING WORKPLACE TRAINING AND SKILLS DEVELOPMENT (CONT...)

Levy payers are continuing to utilize the Fund for training their employees. For the year under review, 163 new companies submitted reimbursement claims for the first time.

More than 30,000 employees from Levy Payers, Special Groups, Emergent Industries and Small Medium and Micro Enterprises (SMMEs) were trained on personal development skills and Apprenticeship Programmes and accordingly benefited from the HRD Fund. A total of P177, 215,500 was expended on their workplace learning initiatives during the financial year under review. Chart 12 below shows the number of learners per Programme.

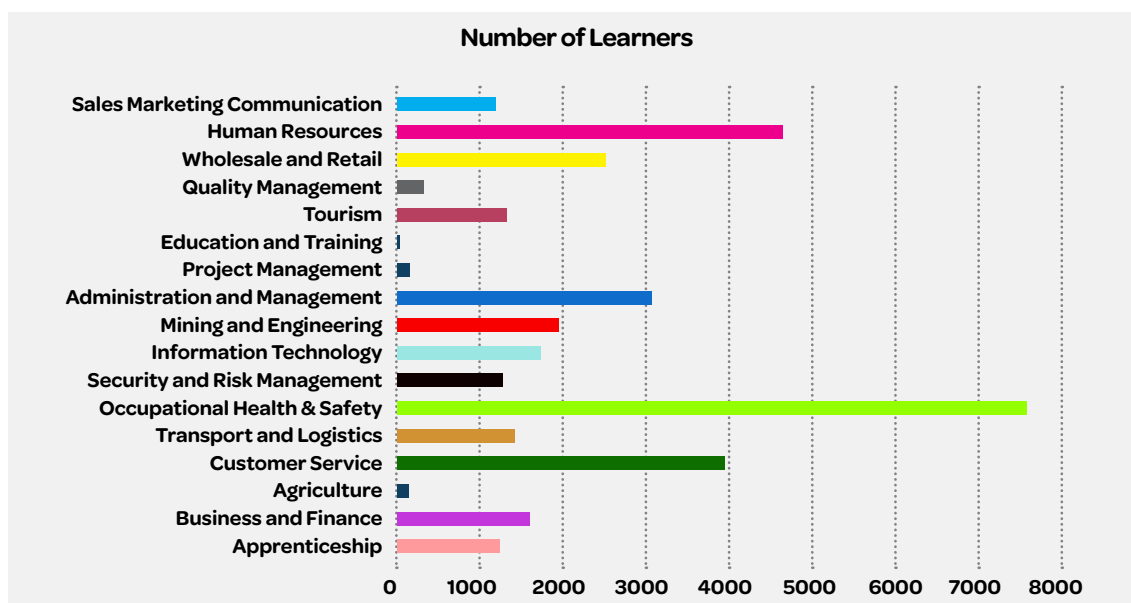


Chart 12: Number of learners per Programme

Risk Management

The department recognises the importance of risk management particularly that the Fund is susceptible to fraud. For that reason there is a draft gift policy and risk register maintained to control opportunities for bribery. To date staff members have received only promotional items such as pens that cannot be perceived as something of value.

A risk log is also maintained at the Contact Centre to record potential risks that may impact on the Fund. The most prominent risks are tabulated below;

Risk	Likelihood	Impact	No of cases	Mitigation
Fraudulent accreditation documents	high	high	3	Suspected cases forwarded to BQA for further action. Only the recent BQA approved list of ETPs used to verify.
Fake proof of payments	medium	high	2	Receipts supported by bank statement or EFT notification. Bank logo emphasized on the documents.
Ghost employees	high	impact	1	Sampling method used to call Learners for confirmation.

3.4 FUNDING WORKPLACE TRAINING AND SKILLS DEVELOPMENT (CONT...)

CHALLENGES



1. Low uptake of the HRD Fund



2. Lack of training plans by Levy Payers



3. Exorbitant pricing of programmes by Education and Training Providers (ETPs)



4. Non-compliance by Levy Payers with the Accreditation Regulations as stated by Botswana Qualifications Authority (BQA).



5. Dishonest intents or activities by some claimants and ETPs intended to defraud the HRD Fund

3.5 DATA MANAGEMENT, RESEARCH AND INNOVATION

ACHIEVEMENTS

RESEARCH & INNOVATION GRANT PROJECT

In an endeavour to increase the tertiary education sector's capacity and capability to undertake world-class innovative research to mobilize Botswana's research talent in tertiary education institutions to apply research to the task of developing the economy and improving the quality of life of Botswana and in particular promote technology transfer and commercialisation, HRDC came up with the HRDC Grant Project initiative. The second edition of the HRDC Grant Project was launched in April 2017 under the theme "Promoting the uptake and utilisation of research outputs for industrial development". HRDC received 41 research proposals, 14 successful and each awarded the P50,000 grant. The researchers for the aforementioned proposals were hosted at the HRDC Offices to undergo training regarding the importance of Intellectual Property in research. The training was facilitated by Dr. Owen Nkosinathi Sotshangane from Walter Sisulu University, whose travel and facilitation fees were sponsored by Southern African Research and Innovation Management Association (SARIMA).

The grantees were assigned mentors to provide guidance for the 14 projects and these were; Dr. Tshiamo Motshegwa and Professor Clever Ketlogetswe both from the University of Botswana (UB), Dr. Maitshwarelo Ignitius Matsheka from the

Botswana Institute for Technology, Research & Innovation (BITRI) and Dr. Adamu Murtala Zungeru from the Botswana International University of Science & Technology (BIUST). Each mentor was nominated and selected based on their area of expertise and their capacity to guide the aforementioned projects. The 12 months project is anticipated to be completed in February.

HRDC Grant Project follows three phases of the production processes from the laboratory environment to pilot scale using the methodology of Technological Readiness Level (TRL). Phase I is the concept feasibility phase in which researchers show the scientific, technical, innovative and commercial merit of their project. Phase II is the concept refinement phase to continue the research efforts from Phase I. Phase III is the commercial application of the products, processes and/or techniques developed from Phase I and II. The projects are at different phases of development and TRL scale in terms of innovative maturity. The projects will go through assessment and recommendation for upscaling during 2018/19 and will require additional funding. Dissemination of the research output will be conducted after completion of all projects. Grant Project site visits have been introduced to monitor progress of the research projects. The projects are product-based, and are expected to reach the final stage of the research and innovation value chain.

Project Title	Area of Expertise	Affiliated Tertiary Institute	Status
Exploring local Seed Oil for the development of Micro-encapsulating Materials	Biology	BUAN	Completed
Biosynthesis of Silver and Gold Nanoparticles with Potent Microbial Activity Using Lactic Acid Bacteria for Industrial Application	Microbiology	UB	Completed
Transition Metal Complexes as Anti-Cancer and Anti HIV Agents	Microbiology	BUIST	Completed
Synthesis of doped Silver, Zinc and Titanium Oxide Nanostructures and their antibacterial activity and effects on lung, breast and colon cancer cells (cell lines)	Biotechnology	BUIST	Completed
Development of Probiotics Strains from Traditionally Fermented Foods of Botswana with Possible Industrial Applications	Biology	UB	Completed
Design and Testing of a Manual Sweet Sorghum Juice Extractor	Mechanical Engineering	BUAN	Completed
Design, Manufacture and Testing of a Lablab Bailer Machine	Mechanical Engineering	UB	Completed
Production of Bandages Using Bleached Cotton Yarn	Industrial Engineering	UB	Completed
Evaluation of the current status of records management/ERP Systems in Tertiary Institutions in Botswana	Information Communication & Technology (ICT)	BAC	Completed
UAVs for Geospatial Data Collection in Botswana	Geomatics	UB	Completed
Availability and Security issues in Healthcare Cloud Computing	Computer Engineering	BUIST	Completed
Design and Development of a 3D Printing Fused Deposition Modeling (FDM) Unit	Control & Instrumentation	BUIST	Completed
Real time Integrated Farm Monitoring System Using the Internet of Things in Botswana	Telecommunications	BUIST	Completed
Commercialisation of Morula processing plant	Mechanical Engineering	UB	Completed

Key: ■ Completed ■ On-Going ■ Discontinued for Non - Compliance

Table Two: Status of the Research and Innovation Grant Projects 2017/2018

3.5 DATA MANAGEMENT, RESEARCH AND INNOVATION (CONT...)

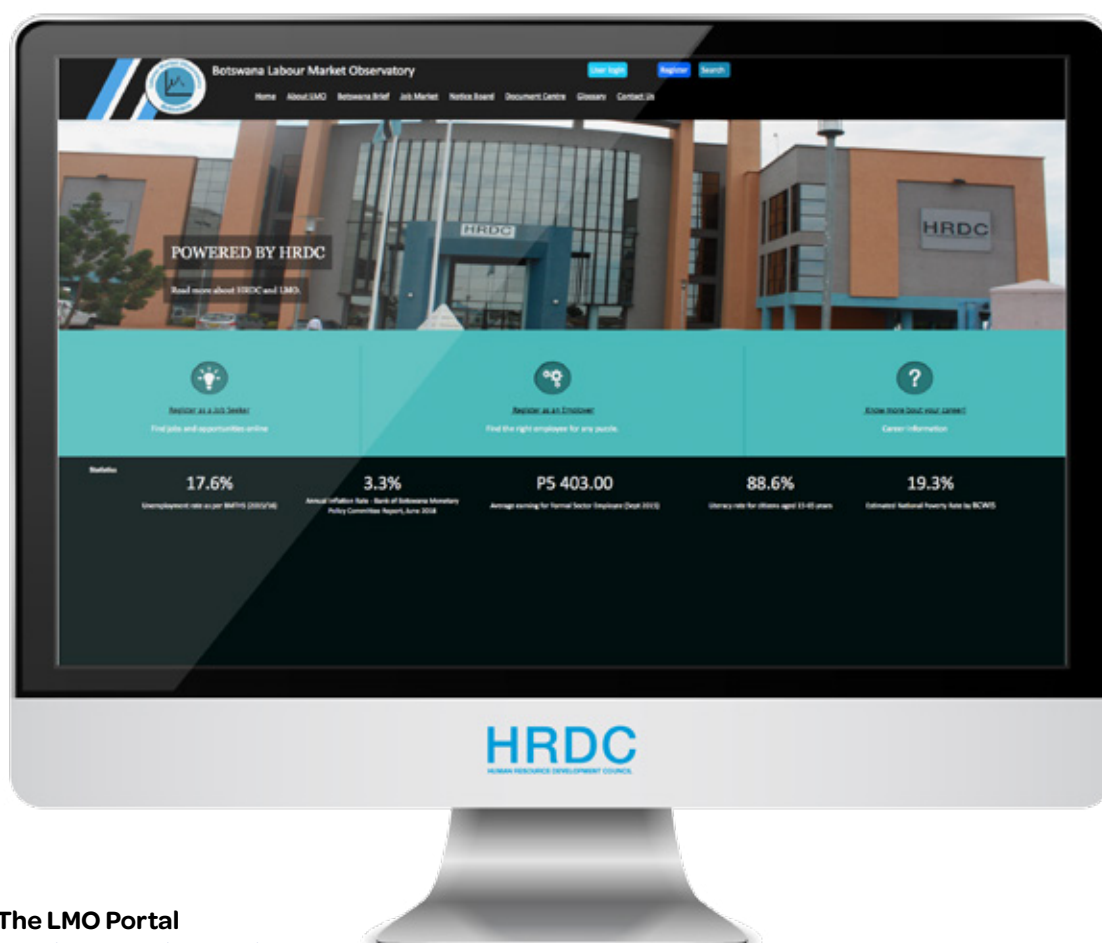
There are two projects from the inaugural 2013/14 Research & Innovation Grant Projects that fell under the ambit of Ministry of Agricultural Development and Food Security which were subsequently up scaled through a consultative workshop held on the 14th November 2017 in collaboration with the said Ministry.

RESEARCH CAPACITY BUILDING

Southern African Research Innovation Management Association (SARIMA), an Association that HRDC subscribes to facilitated

the HRDC Research Capacity-Building Workshop on the 6th – 8th December 2017. The scope of the programme covered the following key areas: Managing the Utilisation of Research Findings; Research Ethics and Integrity; Basics of Intellectual Property Wise IP & Commercialisation and Statistical Package for Social Scientists (SPSS). The workshops were attended by Research Managers/ Coordinators/ Directors from both public and private Tertiary Education Institutions and HRDC Research Committee Members.

LABOUR MARKET OBSERVATORY (LMO)



The LMO Portal
www.botswanalmo.org.bw

3.5 DATA MANAGEMENT, RESEARCH AND INNOVATION (CONT...)

THE LABOUR MARKET OBSERVATORY

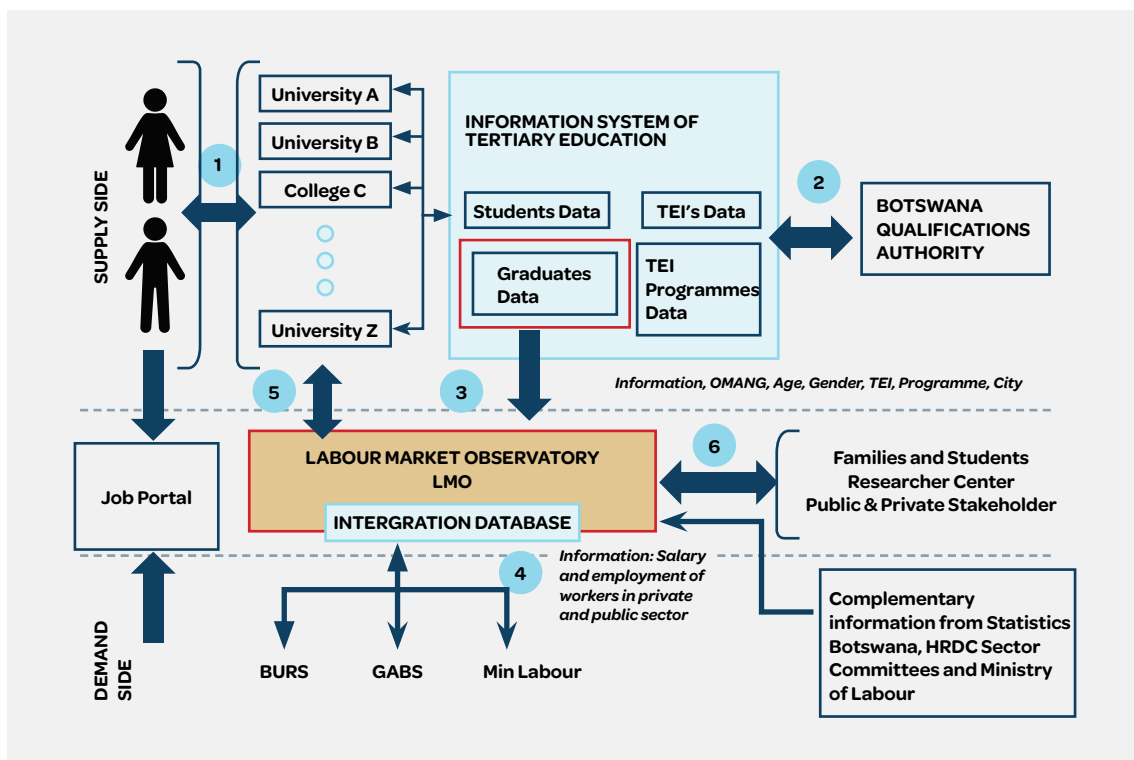
HRDC has just completed the consultancy on the revitalisation of the Labour Market Observatory (LMO). The purpose of the consultancy was primarily to guide the implementation of the Labor Market Information System (LMIS) and the LMO institutional framework. The implementation of the consultancy recommendations has therefore begun and HRDC has since embarked on the development of the key steps for 2018/19 which will entail development of a roadmap for implementing the recommendations.

The project scoping was done to inform the development of the Statement of User Requirements (SOUR) for LMIS users and come

up with the appropriate system specifications, cost and implementation strategy. This will be done in close collaboration with key stakeholders. The tender to undertake the work is about to be floated. The challenge is that the development of the LMIS was not budgeted for under NDP11.

However, efforts are being made to source funding from development partners.

Below is a model of the adopted framework for the development of the LMIS. It is expected that it will be adjusted as and when necessary to ensure that it is robust enough to accommodate all data sources that feed into the LMO indicators.



LMIS Framework: Required System Linkages

Source: LMO Consultancy Report March 2018

3.5 DATA MANAGEMENT, RESEARCH AND INNOVATION (CONT...)

TRANSFER OF THE UNEMPLOYED GRADUATE DATABASE (UGD)

A joint Committee of officials from both HRDC and Directorate of Public Service Management (DPSM) was established to work on the modalities of the transfer. The interrogation of the database was completed to determine means of unifying it with the LMO jobseeker database. A public notice was prepared jointly with DPSM on the transfer. Preparatory meetings by both parties on the transfer are ongoing.

TERTIARY EDUCATION STATISTICS

HRDC conducts institutional Census on an annual basis to provide Education and Training statistics for policy advice and decision making.

The 2017 Tertiary Education Statistics Report is the fourth (4th) Statistics Report prepared by the Council. It contains official statistics endorsed by Statistics Botswana (SB) and therefore can be used locally and internationally as official statistics. Data was sourced from 48 BQA registered Education and Training Providers (ETPs), 28 public and 20 private. The report shows a total tertiary education student population of 59,091. It further indicates the female dominance across most fields of study except in Agriculture, Engineering, Manufacturing and Construction and Science (See Table Three below).

ISCED BROAD GROUP	Female	Male	Total	Percent Female
Agriculture	438	498	936	46.8
Education	3,522	1,458	4,980	70.7
Engineering, Manufacturing & Construction	3,054	6,764	9,818	31.1
Health & Welfare	5,258	2,560	7,818	67.3
Humanities & Arts	1,841	1,399	3,240	56.8
Science	2,641	3,726	6,367	41.5
Services	2,509	1,365	3,874	64.8
Social Science, Business & Law	14,580	7,332	21,912	66.5
Unclassified	76	70	146	52.1
TOTAL	33,908	25,122	59,091	57.5

Table Three: Tertiary Education Student Enrolment by ISCED and Gender - 2016/17

Data Source: Tertiary Education Institutions 2017

3.5 DATA MANAGEMENT, RESEARCH AND INNOVATION (CONT...)

The report shows a tertiary participation rate of 20.2 percent. This indicator signposts the Country's capacity to accommodate all eligible tertiary education age group. Chart 13 shows

a fluctuations in participation rate at tertiary education level from 2005/06 - 2016/17.

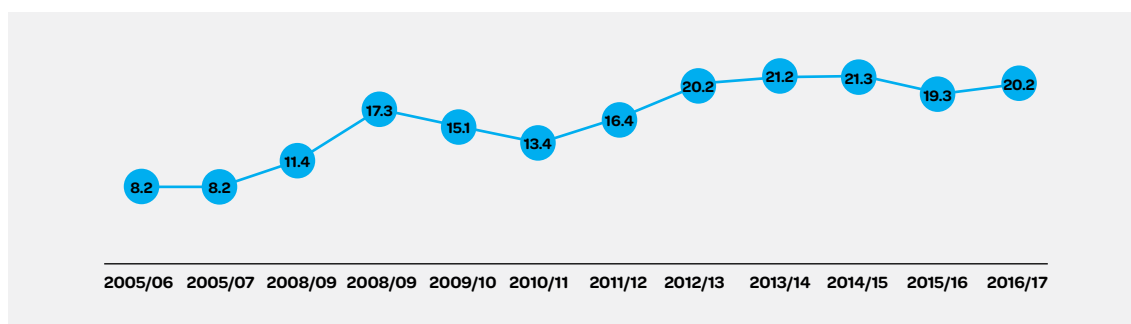


Chart 13: Gross Enrolment Trend for Tertiary Education Students (18-24 years)

Data Sources: Statistics Botswana (2015). Population Projections – 2011–2026 & HRDC (2015). Tertiary Education statistics

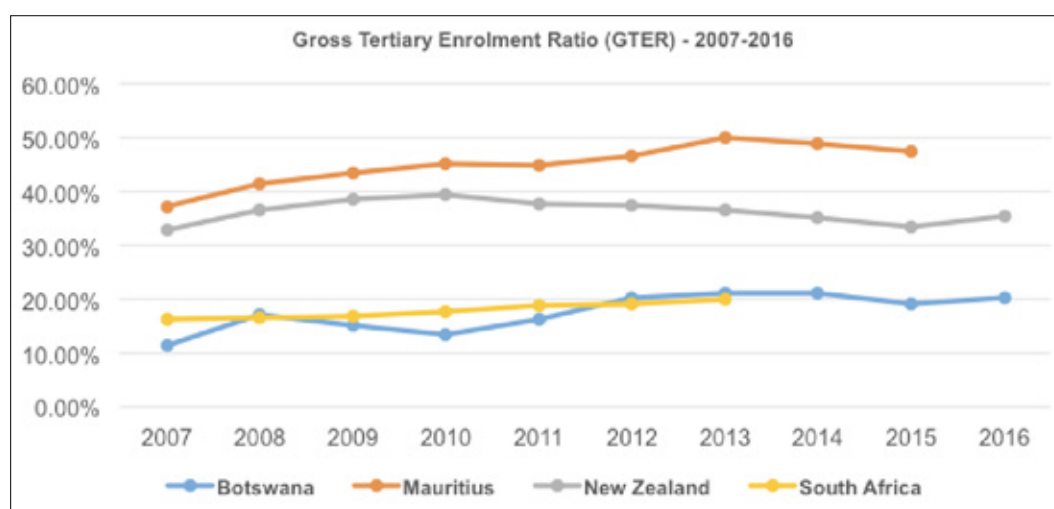


Chart 14: Gross Tertiary Enrolment Ratio (2007-2016)-International Comparison

Source: Tertiary Education Statistics 2017

COMPARISONS

Mauritius had the highest participation rates for nine (9) consecutive years (2007 to 2015) compared to that of New Zealand, Botswana and South Africa. Data for 2016 indicates that GTER for New Zealand was 36.0 percent while

that of Botswana was 20.2 percent. Different participation rates in tertiary education among countries across the globe may be mainly because of different tertiary education policies and rapid growth of technology among others.

3.5 DATA MANAGEMENT, RESEARCH AND INNOVATION (CONT...)

Table Four below indicates that female students dominated in all types of qualification levels except for Master of Philosophy and Doctor of Philosophy.

Qualification Level	Female	Male	Total	% Female
Certificate	3,564	3,549	7,113	50.11
Diploma	8,178	5,402	13,580	60.22
Bachelor	18,145	13,667	31,812	57.04
Masters	1,193	1,003	2,196	54.33
Masters of Philosophy	50	65	115	43.48
Doctor of Philosophy	50	93	143	34.97
Post Graduates	217	71	288	75.35
Professional Qualification	2,504	1,313	3,817	65.60
Non-Degree Purpose	18	9	27	66.67
GRAND TOTAL	33,919	25,172	59,091	57.40

Table Four: Student Enrolment by Type of Qualification and Gender 2016/17

Data Source: Tertiary Education Institutions 2016

The 2017 Tertiary Education Statistics Report indicates a total of 13,933 graduates with majority being Diploma and Degree holders with 4,871 and 4,623 respectively. Chart 15 below demonstrates that there were more graduates in the social sciences and education.

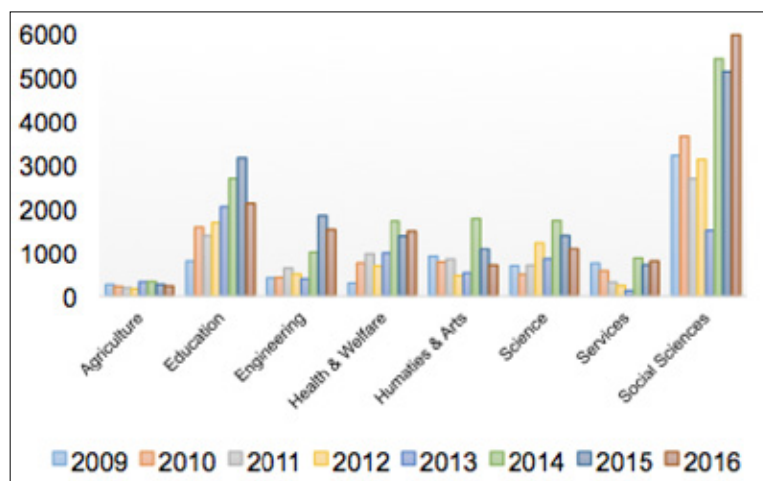


Chart 15: Graduates Trends by ISCED Broad Field of Education and Year

3.6 STAKEHOLDER RELATIONS AND MARKETING COMMUNICATIONS REPORT

STAKEHOLDER ENGAGEMENT

HRDC's communication with Stakeholders in 2017/18 was focused on driving stakeholder collaboration and support. The initiatives implemented under this strategic objective focused on improving stakeholder collaboration and public awareness. In this regard, the Stakeholder Relations and Marketing Communications Unit in collaboration with other core departments continued to engage with stakeholders on issues of human capital development.

As the internal and external stakeholder voice of HRDC, the Stakeholder Relations and Marketing Communications Unit continued to take HRDC mandate to its valued stakeholders and provided guidance to core Departments and coordinated their efforts on stakeholder relations, marketing communications and media relations activities.

The Unit utilised different communication mediums to disseminate information to its external stakeholders. Some of the communication mediums used to engage with stakeholders include; print media, radio, television and face to face communication.

FAIRS AND EXHIBITIONS

The Unit further undertook initiatives focused on promoting the National Human Resource Development Strategy (NHRDS) as well as informing stakeholders about HRDC mandate at various Fairs and Exhibitions across the country. The Fairs and exhibitions that the Council participated at are; Business Botswana Northern Trade Fair (BBNTF), Ghanzi Agricultural Fair, Gaborone Agricultural Fair, Lobatse Agricultural Fair, Botswana Consumer Fair and the Global Expo.

CORPORATE PARTNERSHIPS

HRDC partnered with Business Botswana

Northern Trade Fair to reach out to stakeholders in the north of Botswana; Hospitality and Tourism Association of Botswana (HATAB) to engage the Tourism Sector Stakeholders, University of Botswana in hosting the 44th Southern African, Society of Education (SASE) Conference to engage regional higher education stakeholders. The partnership facilitated sharing of experiences, good practices, research findings, promising approaches and innovations towards improvement of higher education in the region. and Ministry of Tertiary Education, Research, Science and Technology (MoTE) in collaboration with its parastatals held roadshows in the Mmathethe – Molapowabojang cluster area.

USE OF SOCIAL MEDIA

In leveraging on digital marketing, HRDC continued to utilise social media platforms, mainly its Facebook and Twitter accounts to reach the youth and other stakeholders to create awareness and educate them about the mandate and programmes offered by HRDC.

HRDC Facebook page has proved to be an effective and interactive platform for stakeholders. The large numbers of subscribers to it necessitated HRDC to primarily use it as one of the advertising and information dissemination platform and also for stakeholders to give feedback. Currently the HRDC Facebook Likes are 34,263 and followers 34,300.

HRDC WEBSITE

The Unit continues to manage the HRDC Website by updating its content. As a window into HRDC's operations, the website continued to avail up-to-date information about the organisation's strategic initiatives and mandate of the Council thereby reaching out to stakeholders locally and globally. The website address is www.hrdc.org.bw

3.6 STAKEHOLDER RELATIONS AND MARKETING COMMUNICATIONS REPORT (CONT...)

PUBLICATIONS

HRDC continued to drive internal and external communication through the use of News Briefs and HRDC Insight Newsletters that focused on educating and informing both internal and external stakeholders on the various activities of the Council.

HRDC also produced other publications including, the Annual Report 2016/17, Corporate Profile, reprint of National Human Resource Development Strategy (NHRDS) booklet, National Human Resource Development Conference booklet and BHRDS Student Catalogue 2018.

DISTRICT COUNCIL'S VISITS

HRDC believes in community engagement, and therefore found it fit to roll out HRDC's Advocacy plan by engaging Councillors in the following Districts and Town Councils: Lobatse Town Council, Selibe Phikwe Town Council, Ghanzi District Council, Southern District Council, Kgatleng District Council, Jwaneng Town Council and Kweneng District Council.

The feedback from the sessions was used to further improve our stakeholder engagement instruments.

DEVELOPMENT OF HRDC NEW BRAND

During the financial year 2017/18, HRDC engaged Brand Development Consultancy services to develop the new HRDC Brand. All the stages of the brand development were completed and the new Brand has been submitted to Company and Intellectual Property Authority (CIPA) for registration and originality clearance. This is the final stage of brand development before it can be officially launched and implemented in the next financial year.

MEDIA RELATIONS

In a quest to reach out to the farthest parts of the country, HRDC continued to build profitable relations with media houses through press conferences, media breakfast briefings as well as issuing of media releases periodically. Subsequently, the good relations coupled with an open-door policy for media queries, led to increased volume of positive publicity in both print and broadcast media for the year under review.



Dr Raphael Dingalo, Chief Executive Officer (HRDC) flanked by Palapye Community Leadership

3.6 STAKEHOLDER RELATIONS AND MARKETING COMMUNICATIONS REPORT (CONT...)



Ghanzi Open Day

BUSINESS BREAKFAST SEMINAR AND OPEN DAYS

During the financial year 2017/18 the Stakeholder Relations and Marketing Communications Unit introduced a new and futuristic, stakeholder centric approach that enables HRDC to engage with external stakeholders through Business Breakfast Seminars and Open Days. It is during these platforms that all HRDC Departments and Units create awareness, educate Stakeholders about their functions and the benefits available.

The stakeholders engaged during Business Breakfasts and Open Days are all strategic stakeholders across Botswana and they include; Levy Payers, Education Providers, Non-Government Organisation (NGOs), Government Departments, Private Entities, community leadership and the Public to discuss and share

ideas on effectively driving the National Human Resource Development Strategy (NHRDS).

In this case, the HRDC hosted Business Breakfast and Open Days in Palapye, Maun and Ghanzi, and for the latter Tertiary Education Providers (TEP) participated.

RADIO

The Unit also introduced a radio programme called Human Capital Affair Show which was broadcasted on RB2 and Duma FM. Using the content – driven approach, HRDC was reaching out to stakeholders across the country updating them about all the strategic activities and functions. The feedback received was amazing as it assisted the Council to improve on service provision.

3.7 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Through its Corporate Social Responsibility (CSR), HRDC undertook projects in the following areas: Education and Training, Health, Environment and Sustainability, Sports, Natural Disasters and Community involvement.

HRDC implemented the following projects:



Malatswae Primary School Reception Class Learners with community leaders and Dr Raphael Dingalo after the graduation ceremony sponsored by HRDC



East Hanahai Primary School Library donated by HRDC

3.7 CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONT...)



Gift donations from HRDC staff to Malatswae community

PROJECT NAME	BRIEF DESCRIPTION OF PROJECT	VALUE
1. Malatswae Adopt-A-School Project	HRDC entered into a Memorandum of Understanding (MoU) with Malatswae Primary School for a period of three (3) years to support the school towards improving its academic performance. HRDC has made donations of stationery, reprographics and cleaning materials on a termly basis. HRDC has also sponsored the School's Prize Giving and Early Childhood Development Programme (ECDP) Graduation Ceremonies.	P13 000.00
2. HRDC Staff Pledges towards the Malatswae Community	HRDC Staff made personal financial contributions towards purchasing school shoes for the Malatswae Primary School learners. The shoes and socks were purchased for the school's reception class. Staff also donated toys, toiletry, stationery, new and used clothes, shoes as well as books towards the community.	P11 700.00
3. East Hanahai Library room renovation	HRDC in partnership with Sebilo Books identified East Hanahai Primary School to provide them with a library. The adoption followed the guidelines of the 'Adopt-A-School' initiative.	P119 056.00
4. Bonnington CJSS Fundraising Project	The project entailed the construction of a classroom at Bonnington Community Junior Secondary School (CJSS) for learners with Special Needs. Mr Barry Nolan - Project Patron approached HRDC to assist with covering the costs for a Benefit Concert towards the project that was held in June 2017.	P8 000.00

3.8 ENABLING ENVIRONMENT

I. INFORMATION COMMUNICATION AND TECHNOLOGY (ICT) REPORT

Established during the 2016/17 Financial Year, the Department of Information Communication and Technology (ICT) is responsible for directing the information and data integrity of the organisation and its departments including all Information Technology functions of HRDC.

The department further reviews all computerised and manual systems as well as providing a leadership role in the day-to-day operations and analysing HRDC's current technology infrastructure and align it with the organisations strategic plans. The department has the following units namely; Corporate IT, Business Information Systems and Information Technology Helpdesk.

ACHIEVEMENTS

DEVELOPMENT OF THE ICT STRATEGY

In a bid to ensure customer satisfaction, which is in line with the Corporate Strategy, the Department of ICT together with Strategy Unit have developed the ICT Strategy internally. The ICT Strategy is undergoing validation and will be vetted by the Executive Management Committee and approved by the Board.

MAPPING OF PROCESSES

Mapping of processes has been undertaken in line with best quality standards ISO 9001, which has at its core, the interest of the customer and service delivery. As part of improvement, the Department of ICT with the Department of Human Resource Development Planning (Supply), automated the Northern and Southern Botswana Human Resource Development Skills (BHRDS) Fair and Career Clinics registration to ease registration for prospective tertiary learners at the two events.

SERVER ROOM AND INFRASTRUCTURE

The Server room and its equipment underwent some performance improvement. The Core systems were successfully replaced with new server hardware ensuring high availability of systems. Furthermore, there were network enhancements due to changes from copper to fiber optic cables, as well as design enhancements. Network coverage was also improved.

SYSTEM SECURITY ENHANCEMENT

Securing our systems also continues to be a goal that we strive to reach. There has been an acquisition of security enhancing solution, and internal enhancements in accordance with the ISO 27k standard.



3.8 ENABLING ENVIRONMENT (CONT...)

I. INFORMATION COMMUNICATION AND TECHNOLOGY (ICT) REPORT (CONT...)

CHALLENGES



STAFF COMPLIMENT

Due to budgetary constraints, not all positions were filled, as finances did not allow due to balancing of priorities within the organisation.



SKILL SHORTAGE

There is need to intensify training of ICT and non - ICT personnel to improve productivity and optimal utilisation of resources.

3.8 ENABLING ENVIRONMENT (CONT...)

II. QUALITY MANAGEMENT SYSTEM REPORT

Following the completion of staff training during the period under review, departments have made a significant progress in documenting their departmental internal procedures and processes which are awaiting finalisation and approval by management before implementation. The effectiveness of documented processes will improve on service delivery to stakeholders as services will be delivered consistently and can be monitored and measured against the set of service standards.



3.8 ENABLING ENVIRONMENT (CONT...)

III. INTERNAL AUDIT REPORT

In its endeavour to fulfil the requirements of good corporate governance, the Human Resource Development Council (HRDC) has during the financial year established an independent Internal Audit Unit. Key in the mandate of the unit is provision of independent assurance to the Board through the Board Finance and Audit Committee and management as to the adequacy, effectiveness and efficiency of internal control.

This is done so as to support the Council's Strategy, Vision, Mission and aspired Value set. The unit also provides consultancy services in the areas of risk management, governance, fraud and internal control. The unit reports functionally to the Board Finance and Audit Committee and administratively to the Chief Executive Officer (CEO). The purpose, responsibilities and authority of the unit are captured in an Audit Charter which is approved by the Finance and Audit Committee.



3.8 ENABLING ENVIRONMENT(CONT...)

IV. HUMAN RESOURCE (HR) REPORT

In an effort to realise the implementation of the HRDC Strategic Plan and uphold the High Performance Culture (HPO) the Council continued to recruit and retain skilled and competent manpower. This was achieved in phases through motivating staff using various platforms and creating an enabling work environment.

STAFFING



HRDC Group Staff Picture

HRDC has an approved staff complement of 151 positions. As at 31st March 2018, the Council's staff complement was 109 against an establishment of 151. This comprised of 69 females and 40 males all employed on five (5) year Permanent Fixed Term Contract. During the reporting year, HRDC recorded staffing growth of nine (9) percent being an increase from **99** to **109** employees. Recruitment included appointments on promotion and arrival of new staff into HRDC at Director, Managerial and Professional levels.

In an effort to contribute towards developing the human capital, HRDC has a policy of engaging employees as interns, volunteers and on attachment basis to offer professional mentoring and coaching to learners.

CAPACITY BUILDING

Staff development continues to be an integral part of the organisational strategy. During the reporting period, HRDC managed to enroll 36 employees on long term training as reflected below: (PhD = eight (8) percent, Masters = Thirty Six (36) percent; Degree = Twenty Eight (28) percent; others = Twenty Eight (28) percent)

Enrolment for long term training

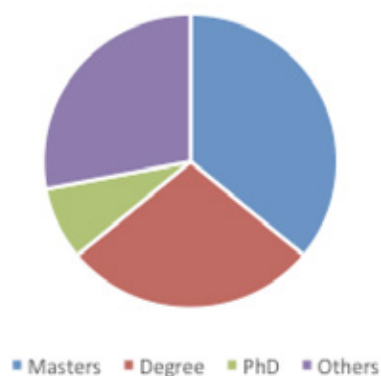


Chart 16: Enrolment for Long Term Training

During the year under review, training focused on staff capacity building and enhancing service delivery in order to attain HRDC's envisaged High Performance Culture. In addition, employees continued to enrol in Management Development Programme (MDP) from the University of Stellenbosch, enrolled in self - development programmes and the organisation continued to assist employees by granting study loans and exam leave to facilitate easy learning.

3.8 ENABLING ENVIRONMENT (CONT...)

IV. HUMAN RESOURCE (HR) REPORT (CONT...)

STAFF WELFARE

HRDC subscribes to work – life balance, and therefore continued to invest in the health and wellness of its staff as evidenced by the existence of a well-equipped gym with an instructor and a series of wellness events spread throughout the year. HRDC has annual wellness events held such as Wellness Day, Commemoration of World AIDS Day, Team Building Day, team building trips and participation in annual charity walks and marathons.

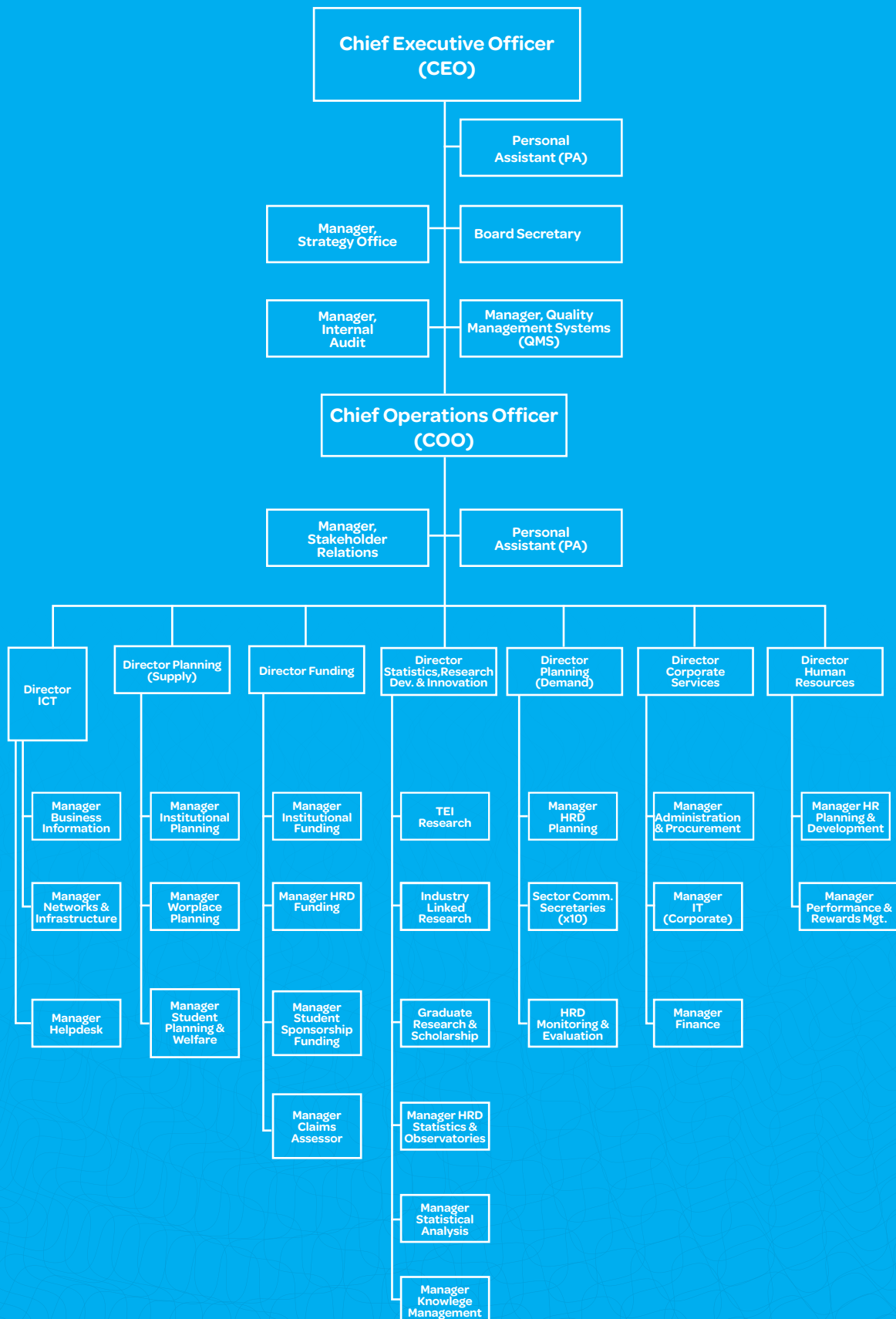


HRDC Staff participating during the annual Team Building exercises



HRDC Staff participating at the World Aids Day commemoration in Bobonong

HRDC ORGANOGRAM



3.8 ENABLING ENVIRONMENT (CONT...)

V. CORPORATE BUDGET AND EXPENDITURES REPORT

The journey to expand the capacity continued in terms of both staff numbers and additional skills acquisitions for the existing staff through training. Significant funds were invested to upgrade the Information Technology (IT) infrastructure. All of this was undertaken within the limitations of a stagnant government grant since the 2014-15 financial year. A lot of attention therefore went into prioritising the activities for the year.

The HRDC financial resources requirements increased moderately by **six (6) percent** from the previous year. This increase was funded from the reserves. The approved budget for the year was **P117.26 Million**. It was expected to be funded by a Government Grant of **P49.93 Million**, a Capital Grant of **P10.03 Million (P1.60 Million from reserves and P8.17 Million from deferred capital grants)**, a Human Resource Development Fund Administration Fee of **P29.76 Million** and the balance of **P27.54 Million** from other sources. The recurrent expenditure constituted **91 percent** of the budget while the capital expenditure constituted **nine (9) percent** of the budget.

The actual expenditure for the year under review was **P93.32 Million**. Personnel emoluments' and related costs were **P56.61 Million representing an increase of 16%**. The increase was due to a staff salary cost of living adjustment, performance awards and new positions. The second major cost was Consultancy at **P7.18 Million**, registering a significant increase from the previous year figure of **P2.05 Million** to cater for the development of the National

Development Plan, Manufacturing Sector Human Resource Development Plan and a Feasibility Study for the Labour Market Observatory. This was followed by the Botswana Human Resource Development Skills (BHRDS) and Career Clinics at **P4.42 Million**, registering a drop of **11.1%** due to lessons learnt from the previous year.

Travel and Accommodation at **P3.30 Million** registered a significant increase of **63 percent** due to a ramp up of national stakeholder consultations and publicity & promotions activities to reach out to the nation on the role and mandate of the HRDC. Staff training and capacity building at **P3.0 Million** registered an increase of **20 percent** to further strengthen the internal capacity to drive the mandate.

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Chart Eight: Exhibitors that participated at the Northern BHRDS Fair and type

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Chart 13: Gross Enrolment Trend for Tertiary Education Students (18 - 24years)

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Table Four: Student Enrolment by Type of Qualification and Gender

APPENDICES: TWO

ABBREVIATIONS

BAC	Botswana Accountancy College	NDP	National Development Plan
BCM	Botswana Chamber of Mines	NGO	Non-Governmental Organisation
BEC	Botswana Examinations Council	PIG	Piggery Investment Guide
BS	Botswana Scorecard	PTEIF	Public Tertiary Education Institutions Fund
BBNF	Business Botswana Northern Trade Fair	SARIMA	Southern African Research and Innovation Management Association
BHRDS	Botswana Human Resource Development Skills Fair and Career Clinics	SB	Statistics Botswana
BITRI	Botswana Institute of Technology, Research and Innovation	SAS	Student Affairs Services
BIUST	Botswana International University of Science and Technology	SASE	Southern African Society of Education
BQA	Botswana Qualifications Authority	SMME	Small Medium and Micro Enterprises
BUAN	Botswana University of Agriculture and Natural Resources	SPSS	Statistical Package of Social Scientists
CAPA	Creative Industries and Performing Arts	SOUR	Statement of User Requirements
DPSM	Directorate of Public Service Management	TEI	Tertiary Education Institution
ECDP	Early Childhood Development Programme	TESR	Tertiary Education Statistics Report
ETP	Education and Training Providers	TESSF	Tertiary Education Student Support Fund
FC	Funding Committee	ToR	Terms of Reference
HATAB	Hospitality and Tourism Association of Botswana	TVET	Technical and Vocational Education and Training
HRD	Human Resource Development	UGD	Unemployment Graduate Database
HRDC	Human Resource Development Council	UB	University of Botswana
HRDF	Human Resource Development Fund	WSTP	Work Skills Training Plans
IFRS	International Financial Reporting Standard		
IP	Institutional Planning		
LMO	Labour Market Observatory		
LMIS	Labour Market Information System		
MDP	Management Development Programme		
MoBE	Ministry of Basic Education		
MoTE	Ministry of Tertiary Education Research Science and Technology		
MMWER	Ministry of Minerals and Water Resources		
NHRDP	National Human Resource Development Plan		
NHRDS	National Human Resource Development Strategy		

4.0 ANNUAL FINANCIAL STATEMENTS

for the year ended 31st March 2018

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ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

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



Members of the Board:

- Mr Batho C Molomo - Chairperson
- Ms Moggie F Mbaakanyi
- Mr Sebetlela Sebetlela - Resigned
- Dr Grace G Kgake Tabengwa
- Ms Michelle Adelman
- Ms Serty Leburu
- Ms Kebosweditse Ntebela
- Ms Helen C Chilisa
- Ms Seilaneng Godisang
- Dr Thapelo Matsheka
- Mr Kelapile Ndobano
- Ms Ruth Maphorisa
- Mr Labane Mokgosi
- Ms Dorcas Phirie
- Dr Raphael Dingalo - Chief Executive

Postal address: Private Bag BR 108
Gaborone

Auditors: PricewaterhouseCoopers
Gaborone



Bankers:

- Barclays Bank of Botswana
- Stanbic Bank Botswana
- Bank Gaborone
- Bank ABC



Lawyers: Bogopa, Manewe, Tobedza & CO

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

STATEMENT OF RESPONSIBILITY BY BOARD MEMBERS

for the year ended 31 March 2018

The Board Members 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 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 board 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.

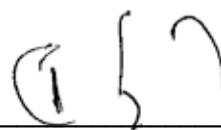
The going concern basis has been adopted in preparing the annual financial statements. The members have no reason to believe that the Council will not be a going concern in the foreseeable future, based on the continuous support by the Government of Botswana through the Ministry of Tertiary Education, 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 79 to 111 and supplementary information on Annexure 1 were approved by the Members of the Board and are signed on its behalf by:



Director



Director

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MINISTER OF TERTIARY EDUCATION, RESEARCH, SCIENCE AND TECHNOLOGY

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Human Resource Development Council ("the Council") as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Human Resource Development Council's financial statements set out on pages 79 to 111 comprise:

- the statement of financial position as at 31 March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Council in accordance with the *Botswana Institute of Chartered Accountants code of ethics ("BICA Code")* and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with these requirements and the BICA Code. The BICA Code is consistent with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (Parts A and B).

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. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We communicate the key audit matter that relates to the audit of the financial statements of the current period in the table below.

PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana, T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw

Country Senior Partner: B D Phirle
Partners: R Binedell, A S Edirisinghe, L Mahesan, R van Schalkwyk, S K K Wijesena

INDEPENDENT AUDITOR'S REPORT (Cont...)



Key audit matter

Accounting for subventions and grants received from the Government of Botswana through the Ministry of Tertiary Education, Research, Science and Technology ("the government") (Refer to Notes 2.12.1, 5, 6, 14 and 15 to the financial statements).

Subventions received from the government is the most significant portion of revenue and is received from government on an annual basis. Subventions are utilised to finance the operating activities of the Council.

The capital grant amounting to P43,854,718 relates to the grant received from the government for capital expenditure in respect of which the underlying capital expenditure has been incurred. The capital grant is amortised to other income in the statement of comprehensive income at the same amount charged for depreciation and during the same period in which the underlying assets are depreciated.

The unspent grants received for specific expenditure and capital assets are presented as unutilised grants in the statement of financial position. Where the unutilised grant is for specific expenditure, the amount is released to revenue as and when the specific expenditure is incurred. Where the unutilised grant is for capital expenditure, the amount is transferred to capital grants in the statement of financial position as and when the related capital expenditure is incurred. We determined the accounting for the subventions, and grants received from the government to be a matter of most significance during our current year audit due to the following:

- The magnitude and significance of the subventions received and the capital grants liability to the financial statements; and
- The accounting treatment for revenue and the recognition of capital grants and unutilised grants to the statement of comprehensive income.

How our audit addressed the key audit matter

Our audit procedures performed in respect of the subventions, capital grants and unutilised grants received from the government included inter alia, the following:

- We obtained an understanding of the subventions and grants by inspecting the relevant board minutes and correspondence with the government focussing on the requirements of the subventions, specific expenditure grants and capital grants;
- For the subventions received from the government in the current year, we performed the following procedures:
 - We agreed all the quarterly subventions received by the Council to the communications from the government and traced the amounts received to the Council's bank statements. No differences were noted;
 - We obtained a written confirmation from the Ministry of Tertiary Education, Research, Science and Technology confirming the subvention amount that the Council was entitled to and received for the financial year. No differences were noted; and
 - We compared the subventions amount recorded to the approved 2017/18 annual budget of the Council. No material differences were noted.
- For capital grants received from the government and the accounting treatment thereof, we performed the following audit procedures:
 - We enquired from the members of the board and inspected the Council's bank statements as well as minutes of board meetings in order to assess whether there were capital grants received during the financial year. We found that there were no new capital grants received by the Council during the current year;
 - In order to test the accuracy of the amount transferred from unutilised grants to the capital grants, on a sample basis, we agreed the amounts to the respective invoices for the assets purchased and the tender committee minutes of meetings. No differences were noted; and
 - To test the recognition of the capital grants to the statement of comprehensive income, on a sample basis, we recalculated the depreciation on the assets that were acquired through funds received as part of the capital grant. We compared the results of our recalculation to the depreciation

INDEPENDENT AUDITOR'S REPORT

(Cont...)



calculated by management as per the fixed asset register. The fixed asset register was agreed to the financial statements. No material differences were noted.

- For unutilised grants, the following audit procedures were performed:
 - We obtained the movement schedule from management and traced the movements to our testing. This included agreeing the opening balances on the movement schedule to the previous year's working papers and agreeing the closing balance to the financial statements. On a sample basis, we agreed the transfers to capital grants to the invoices for the respective assets purchased and the tender committee minutes of meetings. No material differences were noted; and
 - We enquired from members of the board and inspected the board minutes in order to assess whether there was any expenditure relating to specific expenses. We found that there were no material amounts spent on the specific expenditure during the financial year.

Other information

The members of the board are responsible for the other information. The other information comprises the information included in the *Human Resource Development Council Annual Financial Statements for the year ended 31 March 2018*, which includes Council Information, the Statement of Responsibility by Board Members and the Detailed Expenditure Statement, which we obtained prior to the date of this auditor's report, and the *Human Resource Development Council 2017-18 Annual Report*, which is expected to be made available to us after that date. 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 and will 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 identified above 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 that we obtained 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 AUDITOR'S REPORT

(Cont...)



Responsibilities of members of the board for the financial statements

The board members are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Human Resource Development Council Act, 2013 and for such internal control as the members 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, board members are 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 members 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 members of the board.
- Conclude on the appropriateness of the members of the board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.



We communicate with the members of the board 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 members of the board, 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.

Report on Other Legal and Regulatory Requirements

In accordance with Section 23 (3) of the Human Resource Development Council Act, 2013 we confirm that:

- We have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the performance of our duties as auditors;
- The accounts and related records of the council have been properly maintained;
- The council has complied with the financial provisions of the Human Resource Development Council Act, 2013; and
- The financial statements prepared by the council were prepared on a basis consistent with that of the preceding year except for the adoption of the new and revised International Financial Reporting Standards as stated under note 2.1 to the financial statements.

Individual practicing member: Kosala Wijesena
Registration number: 20000110

Gaborone
28 September 2018

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2018

	Note	2018 P	2017 P
Revenue	5	81,046,000	74,284,784
Other income	6	14,051,331	8,499,293
Administrative expenses	7	(93,322,600)	(79,648,202)
Operating surplus		1,774,731	3,135,875
Finance income	9	347,033	1,004,318
Surplus for the year		2,121,764	4,140,193
Other comprehensive income		-	-
Total comprehensive income for the year		2,121,764	4,140,193

STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

	Note	2018 P	2017 P
ASSETS			
Non-current assets			
Property, plant and equipment	10	43,572,023	41,465,611
Intangible assets	11	282,695	423,818
		43,854,718	41,889,429
Current assets			
Trade and other receivables	12	18,846,164	13,311,001
Cash and cash equivalents	13	48,127,986	50,274,293
		66,974,150	63,585,294
Total assets		110,828,868	105,474,723
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus		33,877,069	31,755,306
		33,877,069	31,755,306
Non-current liabilities			
Capital grants	14	43,854,718	41,889,429
Current liabilities			
Trade and other payables	15	33,097,081	31,829,988
Total liabilities		76,951,799	73,719,417
Total funds and liabilities		110,828,868	105,474,723

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2018

	Accumulated Surplus P
For the year ended 31 March 2017	
Balance at 1 April 2016	27,615,113
Total comprehensive income for the year	4,140,193
Balance at 31 March 2017	<u>31,755,306</u>
For the year ended 31 March 2018	
Balance at 1 April 2017	31,755,306
Total comprehensive income for the year	2,121,764
Balance at 31 March 2018	<u>33,877,069</u>

STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

	Note	2018 P	2017 P
Cash generated from operations			
Operating surplus		1,774,730	3,135,875
Adjustments for:			
Depreciation	10	2,649,941	2,386,892
Amortisation of intangible assets	11	141,122	124,009
Profit on disposal of plant and equipment	6	(40,000)	-
Foreign exchange (loss) / gain		(812,060)	(138,322)
Amortisation of deferred income	14	(2,791,063)	(2,510,901)
		922,670	2,997,553
Changes in working capital			
Trade and other receivables		(5,535,164)	(1,226,804)
Trade and other payables and provision for restructuring		1,267,093	4,440,175
Net cash generated from operating activities		(3,345,401)	6,210,924
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(4,793,553)	(1,556,508)
Purchase of intangible assets	11	-	(264,359)
Proceeds from disposal of plant and equipment		40,000	-
Interest income received	9	1,159,093	1,142,640
Net cash used in investing activities		(3,594,460)	(678,227)
Cash flows from financing activities			
Transfer from unutilised grant	14	4,793,554	1,820,868
Net cash generated from financing activities		4,793,554	1,820,868
Net change in cash and cash equivalents		(2,146,307)	7,353,565
Cash and cash equivalents at beginning of year		50,274,293	42,920,728
Cash and cash equivalents at end of year	13	48,127,986	50,274,293

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

1 General information

Human Resource Development Council (the "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 Human Resource Development Strategy. The address of its registered office is Plot 60113, Block 7, Ext 48, Gaborone West.

The financial statements set out on pages 79 to 111 have been approved by the Members of the Board on 29th August 2018

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all 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 financial statements have been prepared under the historical cost basis, unless stated otherwise.

The preparation of Council financial statements in conformity with International Financial Reporting Standards 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

(a) New and amended standards applicable to the current period

The following new standards, amendments and interpretations to existing standards are mandatory for the organisation's accounting periods beginning on or after 1 March 2017. These have been adopted by the council during the year.

- **Amendment to IAS 7** – Cash flow statements - In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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

a) New and amended standards applicable to the current period (continued)

The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities (Effective 1 January 2017).

(b) New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Council

The following new standards, amendments and interpretations to existing standards are mandatory for the Council. These have not been early adopted by the Council.

- **IFRS 9** – Financial Instruments (2009 & 2010), Financial liabilities, Derecognition of financial instruments, Financial assets, General hedge accounting - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model (Effective 1 January 2018).
- **IFRS 15** – Revenue from contracts with customers - The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer (Effective 1 January 2018).
- **Amendment to IFRS 15** – Revenue from contracts with customers - The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard (Effective 1 January 2018).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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

(b) New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Council (continued)

- IFRS 16 – Leases - This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' (Effective 1 January 2019).

(c) New standards, amendments and interpretations which are effective and are irrelevant to the Council's operations

Management assessed the relevance of the following new amendments and improvements with respect to the Council's operations and concluded that they are not relevant to the Council:

- Amendment to IAS 12 – Income taxes - Recognition of deferred tax assets for unrealised losses. The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets.
- The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets (Effective 1 January 2017).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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

(c) New standards, amendments and interpretations which are not yet effective and are irrelevant to the Council's operations (continued)

Early adoption of the above requirements has specific transitional rules that need to be followed.

Entities can elect to apply IFRS 9 for any of the following:

- The own credit risk requirements for financial liabilities.
 - Classification and measurement (C&M) requirements for financial assets.
 - C&M requirements for financial assets and financial liabilities.
 - The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting).
- The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9 (Effective 1 January 2018).
 - IFRS 4, 'Insurance contracts' - Regarding the implementation of IFRS 9, 'Financial instruments'. These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:
 - Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and
 - Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39 (Effective 1 January 2018).
 - IAS 40, 'Investment property' - Transfers of investment property. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence (Effective 1 January 2018).
 - IFRIC 22, 'Foreign currency transactions and advance consideration' - This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice (Effective 1 January 2018).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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

(c) New standards, amendments and interpretations which are not yet effective and are irrelevant to the Council's operations (continued)

- Annual improvements 2014 - 2016 - These amendments impact 3 standards:
 - IFRS 1, 'First-time adoption of IFRS', regarding the deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10 effective 1 January 2018.
 - IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard. The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of IFRS 12). Previously, it was unclear whether all other IFRS 12 requirements were applicable for these interests. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017.
 - IAS 28, 'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value. IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition. (Effective 1 January 2018).
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets - The postponement applies to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures.
- The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures (Effective date postponed (initially 1 January 2016)).
- IFRIC 23, 'Uncertainty over income tax treatments', provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting (1 January 2019).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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

(c) New standards, amendments and interpretations which are not yet effective and are irrelevant to the Council's operations (continued)

- IFRS 17, 'Insurance contracts', The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.

Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for nonfinancial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.

For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract (Effective 1 January 2021).

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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 surplus/deficit during the financial period in which they are incurred.

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	5-10 years
- Gym equipment	5-10 years
- Computer equipment	3-5 years
- Motor vehicles	4-8 years
- Buildings	50 years
- Buildings- Porta Cabins	20 years
- Leasehold improvements	Over the life of the lease
- Leasehold land	Over the life of the lease

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

2.3 Property, plant and equipment (continued)

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 surplus/deficit when the asset is derecognised.

Property, plant 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.

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

2.5.1 Initial recognition and measurement

Financial assets are recognised when the Council becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Council's financial assets include cash and short-term deposits and trade and other receivables. All financial assets held by the council are classified as loans and receivables.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

2.5 Financial assets (continued)

2.5.2 Subsequent measurement

After initial measurement, financial assets are subsequently measured at amortised cost, using the effective interest method less impairment. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Gains and losses are recognised in surplus/deficit upon impairment or derecognition as well as through the amortisation process.

2.5.3 Allowance for credit losses

An allowance for loans and receivables is established when there is objective evidence that the council will not be able to collect all amounts due according to the original terms of the assets. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the surplus/deficit.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease is because of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting the allowance account. The reversal does not result in the carrying amount of the financial assets exceeding what the amortised cost would have been had the impairment not been recognised previously. The amount of the reversal is recognised in surplus/deficit.

2.5.4 Derecognition

Financial assets are de-recognised when the right to receive cash flows from the financial assets has expired or has been transferred, and the Council has transferred substantially all risks and rewards of ownership.

2.5.5 Off-setting

Financial assets and liabilities are set off and the net balance reported in the statement of financial position where there is a currently legally enforceable right to set off, where it is the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

2.6 Financial liabilities

2.6.1 Initial recognition and measurement

Financial liabilities are recognised when the Council becomes a party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value, and for those which are not measured at fair value through profit or loss, directly attributable transaction costs are included in the initial measurement of the instrument.

2.6.2 Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

a) Trade and other Payables

Trade and other payables classified as loans and borrowings are subsequently measured at amortised cost at the effective interest rate method.

b) Bank overdraft

Bank overdrafts are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

c) Restructuring provision

Restructuring provisions are recognised only when the council has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline and the employees affected have been notified of the plan's main features.

2.6.3 Derecognition

Financial liabilities are de-recognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing financial liability are substantially modified, such a modification is treated as the derecognition of the original liability and the recognition of a new liability.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

2.6 Financial liabilities (continued)

2.6.4 Off-setting

Financial assets and liabilities are set off and the net balance reported in the statement of financial position where there is a currently legally enforceable right to set off, where it is the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Trade receivables

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

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

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.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other shortterm 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.

2.9 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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

2.11 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. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

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.

2.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable. The Council recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Council; and when specific criteria have been met for each of the Council's activities, as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Council bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.12.1 Government grants

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.

Government subventions relating 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.

Grants from the Government are initially recognised to unspent grants under current liabilities in the statement of financial position, once there is reasonable assurance that the Council will comply with the conditions attaching to them (as applicable) and it is reasonably assured that the grant will be received.

Grants 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

2.12.1 Government grants (Cont..)

Grants received for the acquisition of property, plant and equipment ("capital assets") are transferred from unspent grants to capital grants 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.

2.12.2 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 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.

2.12.3 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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 cashflows 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 to require Council to manage their foreign exchange risk against their functional currency.

		Cash and cash equivalents	Effect on surplus/ deficit
2018			
Increase in exchange rate	1%	7,051,959	70,519
Decrease in exchange rate	-1%	(7,051,959)	(70,519)
2017			
Increase in exchange rate	1%	3,519,764	35,197
Decrease in exchange rate	-1%	(3,519,764)	(35,197)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

3 Financial risk management (continued)

(a) Market risk (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 2018, if interest rates on short-term deposit had been 1% higher / lower with all other variables held constant, excess of expenditure over income for the year would have been P 343,429 (2017: P 262,807) lower/higher, mainly as a result of higher / lower interest income on floating rate deposits.

(b) Credit risk

Financial assets of the Council, which are subject to credit risk, consist mainly of debtors and cash resources. Cash deposits are held with high-credit quality financial institutions. No credit limits were exceeded during the reporting period. Please refer to note 19 for disclosure on credit quality.

(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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

3 Financial risk management (continued)

(c) Liquidity risk (continued)

Less than 1 year
P

At 31 March 2018	
Trade and other payables	33,097,081
At 31 March 2017	
Trade and other payables	31,829,988

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 asset to reduce the debt.

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

3.3 Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

There are no financial assets classified as fair value through profit or loss at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

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 Council 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are 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.

(c) Impairment loss on trade receivables

The Council reviews its trade and other receivables to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the surplus or deficit, the Council makes judgments as to whether there is any observable data indicating that there is a measurable decrease in estimated cash flows from a portfolio of debtors. Management uses estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(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 2.12.1.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

5. Revenue

Government subventions
HRDF Administration fees

2018	2017
P	P
49,925,380	46,177,941
31,120,620	28,106,843
81,046,000	74,284,784

6. Other income

Amortisation of Capital grant (note 14)
BHRDS Fair and Career Clinics
Reimbursement of sector plan costs
Sale of tender documents and sundry income
Profit on disposal of assets

2018	2017
P	P
2,791,063	2,510,901
2,555,604	2,862,512
8,613,988	2,544,607
50,676	581,273
40,000	-
14,051,331	8,499,293

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

7. Expenses by nature

2018	2017
P	P

The following items have been charged in arriving at operating surplus before finance income:

Advertising	1,741,202	2,370,340
Amortisation of intangible assets	141,122	124,009
Auditors' remuneration	281,617	192,160
Board members' sitting allowances	2,086,794	952,089
Consultancy	7,184,948	2,047,077
Depreciation	2,649,941	2,386,914
Electricity and water	493,281	546,527
Insurance	749,659	536,214
Other administration expenses	2,872,818	3,484,787
Printing and stationery	1,113,329	1,364,893
Repairs and maintenance	1,725,707	1,977,090
Sector committee initiatives	859,526	1,112,793
Staff costs (note 8)	56,609,797	48,978,180
Stakeholder meetings and Conferences	2,354,245	2,497,637
Subscriptions	1,785,078	1,600,980
BHRDS Fair and Career Clinics	4,423,958	4,976,722
Training and capacity building	2,953,209	2,472,144
Travelling and accommodation	3,296,368	2,027,646
	93,322,600	79,648,202

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

8. Staff costs

Salaries and wages
Medical and gratuity expenses

2018	2017
P	P
44,629,374	37,832,130
11,980,423	11,146,050
56,609,797	48,978,180

Average number of employees

114	112
-----	-----

9. Net finance income

Finance income

Interest income
Foreign exchange (loss) / gain

2018	2017
P	P
1,159,093	1,142,640
(812,060)	(138,322)
347,033	1,004,318

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

10. Property, plant and equipment

Year ended 31 March 2017

	Land and buildings	Motor vehicles	Computer equipment	Gym equipment	Furniture and office fittings	Total
	P	P	P	P	P	P
Net book amount at beginning of year	38,509,332	1,084,391	1,286,508	134,498	1,281,266	42,295,995
Additions	-	21,500	13,498	41,070	1,480,440	1,556,508
Cost on disposal	-	-	-	-	(52,215)	(52,215)
Depreciation on disposal	-	-	-	-	52,215	52,215
Depreciation	(952,108)	(242,123)	(498,048)	(46,784)	(647,829)	(2,386,892)
Net book amount at end of year	37,557,224	863,768	801,958	128,784	2,113,877	41,465,611

As at 31 March 2017

Cost or valuation	43,602,955	2,458,157	3,406,728	349,041	7,554,585	57,371,466
Accumulated depreciation	(6,045,731)	(1,594,389)	(2,604,770)	(220,257)	(5,440,708)	(15,905,855)
Net book amount	37,557,224	863,768	801,958	128,784	2,113,877	41,465,611

Year ended 31 March 2018

Net book amount at beginning of year	37,557,224	863,768	801,958	128,784	2,113,877	41,465,611
Additions	-	1,899,683	2,061,252	-	832,617	4,793,553
Cost on disposal	-	(372,000)	-	-	(162,111)	(534,111)
Depreciation on disposal	-	334,800	-	-	162,111	496,911
Depreciation	(952,108)	(318,279)	(502,044)	(48,000)	(829,511)	(2,649,941)
Net book amount at end of year	36,605,116	2,407,973	2,361,166	80,784	2,116,983	43,572,023

As at 31 March 2018

Cost or valuation	43,602,955	3,985,840	5,467,980	349,041	8,225,091	61,630,908
Accumulated depreciation	(6,997,839)	(1,577,868)	(3,106,814)	(268,257)	(6,108,108)	(18,058,885)
Net book amount	36,605,116	2,407,973	2,361,166	80,784	2,116,984	43,572,023

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

11. Intangible assets

Net book amount at beginning of year

Additions

Amortisation charge

Net book amount at end of year

Cost

Accumulated amortisation

Net book amount

	2018	2017
	P	P
Net book amount at beginning of year	423,818	283,468
Additions	-	264,359
Amortisation charge	(141,122)	(124,009)
Net book amount at end of year	282,695	423,818
Cost	1,255,122	1,255,122
Accumulated amortisation	(972,428)	(831,304)
Net book amount	282,695	423,818

Intangible assets consist of computer software.

12. Trade and other receivables

Trade receivables

Less: Provision for impairment of trade receivables

Receivable from HRDF (Note 20)

Prepayments and deposits

Other receivables

	2018	2017
	P	P
Trade receivables	962,110	1,182,003
Less: Provision for impairment of trade receivables	(377,381)	(288,065)
	584,729	893,938
Receivable from HRDF (Note 20)	17,246,653	11,994,304
Prepayments and deposits	348,506	262,082
Other receivables	666,276	160,677
	18,261,436	12,417,063
	18,846,164	13,311,001

As of 31 March 2018, trade receivables of P 584,729 (2017: 893,938) were fully performing.

As at 31 March 2018, there were no trade receivable (2017: NIL) that were past due but not impaired.

As at 31 March 2018, trade receivables amounting to P 377,382 (2017: P 288 065) were impaired and provided for. The movement in the provision is as follows:

Opening balance

Provision / (reversal) for the year

Closing provision

	2018	2017
	P	P
Opening balance	288,064	219,627
Provision / (reversal) for the year	89,317	68,437
Closing provision	377,381	288,064

The aging of these impaired receivables is as follows:

Over 90 days

	377,381	288,064
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The carrying amounts of the council`s trade and other receivables are denominated in the Botswana Pula. The fair values of trade and other receivables approximated their book values due to their short term nature.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

13. Cash and cash equivalents

	2018 P	2017 P
Cash on hand	3,547	735
Cash at bank	15,623,642	14,088,481
Short-term deposits	32,500,797	36,185,077
	48,127,986	50,274,293

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

	2018 P	2017 P
Bank balances	48,124,439	50,273,558
Cash on hand	3,547	735
	48,127,986	50,274,293

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:

	2018 P	2017 P
US Dollar	7,051,959	3,519,764

14. Capital grants

	2018 P	2017 P
Balance at beginning of year	41,889,429	42,579,462
Grant received/utilised during the year	4,793,554	1,820,868
Disposal of Assets	(37,200)	-
Amortisation during the year (Note 6)	(2,791,063)	(2,510,901)
Balance at end of year	43,854,718	41,889,429

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

15. Trade and other payables

Trade and other payables
Sundry creditors
Staff accruals (note 15.1)
Unutilised grants (note 15.2)
Provision for restructuring (note 15.3)

2018	2017
P	P
7,333,110	5,661,099
400,872	380,353
18,462,474	14,094,309
6,391,955	11,185,557
508,670	508,670
33,097,081	31,829,988

15.1 Staff accruals

Movement in staff accruals is as follows

	Gratuity	Leave pay	Total
	P	P	P
Balance at beginning of year	12,788,654	1,305,655	14,094,309
Additional accrual during the year	10,380,787	2,458,605	12,839,392
Paid during the year	(7,238,618)	(1,232,609)	(8,471,227)
Balance at end of year	15,930,823	2,531,651	18,462,474

15.2. Unutilised grants

HRDC Capital Grant
HRDC Research Grant
Recurrent Grant - Sector Committees

2018	2017
P	P
3,580,257	8,373,810
1,311,698	1,311,698
1,500,000	1,500,049
6,391,955	11,185,557

15.2.1 Unutilised grants

Balance at beginning of year
Utilised during the year
Balance at end of year

HRDC capital Grant	HRDC Research Grant	Reccurent Grant-Sector Committees	Total
P	P	P	P
8,373,810	1,311,698	1,500,049	11,185,557
(4,793,553)	-	(49)	(4,793,602)
3,580,257	1,311,698	1,500,000	6,391,955

Government capital grants have been received for capital expenditure. Unutilised grants are non-refundable and there are no unfulfilled conditions or contingencies attached to these grants. Unutilised grants can be used for other Council's operational activities upon approval by the Council's board members.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

15.3 Provision for restructuring

	2018	2017
	P	P
Opening balance	508,670	2,825,029
Utilised during the year	-	(2,316,359)
Balance at end of year	508,670	508,670

Human Resource Development Council recorded a restructuring provision at the onset of the transition process. The provision relates principally to the exit packages that were expected to be paid to the employees who might elect to take their exit packages instead of be absorbed into the new HRDC structure. The restructuring plan was drawn up and announced to the employees of HRDC when the provision was recognised in its financial statements. The restructuring was completed by 31 March 2016.

The fair values of trade and other payables approximate their book values due to their short term nature.

16. Commitments

	2018	2017
	P	P
Commitments for consultancies and projects		
World Bank (CEI) - HRD - Sector Committee Plans	-	2,438,741
Masitara Forensic - Student Affairs Guidelines	-	247,685
CIDE - Development of the National Plan	2,626,736	-

17. Events after reporting date

There were no events that occurred after the reporting date which would require adjustments to or disclosures in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

18. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Loans and receivables:

Assets as per statement of financial position

Trade and other receivables excluding prepayments

Cash and cash equivalents (Note 13)

2018	2017
P	P
18,846,164	13,311,001
48,127,986	50,274,293
66,974,149	63,585,294

Other financial liabilities at amortised cost:

Liabilities as per statement of financial position

Trade and other payables excluding

non-financial liabilities

33,097,081	31,829,988
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

19. Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables

Group 2
Total fully performing trade receivables

2018	2017
P	P
584,729	893,938
584,729	893,938

Group 1 - New customers

Group 2 - Existing customers with no defaults in the past

Group 3 - Existing customers with some defaults in the past. All defaults were fully recovered.

Cash at bank and short-term bank deposits

Stanbic Bank Botswana Limited
Barclays Bank of Botswana
BancABC
Bank Gaborone

2018	2017
P	P
33,804	33,787
9,081,077	5,248,592
6,508,761	30,079,481
32,500,797	14,911,698
48,124,439	50,273,558

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 Standard Chartered Bank Botswana Limited, Stanbic Bank Botswana Limited, Barclays Bank PLC and BancABC. There are no credit ratings available in Botswana.

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

Stanbic Bank Botswana Limited is a long established bank in Botswana and a subsidiary of Standard Bank of South Africa. Standard Bank of South Africa is listed on the Johannesburg Stock Exchange and has a credit rating of F2 for short term credits (Fitch rating).

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.

BancABC Limited previously known as African Banking Corporation Botswana Limited is a subsidiary of Atlas Mara Limited. Atlas Mara is a standard listed company on the London Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

20. Related party transactions

Human Resource Development Council (HRDC) was established through the Human Resource Development 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.

Related party transactions and balances

(a.) The council carried out the following transactions with its related parties during the financial year ended 31 March 2018:

Name of related party	Nature of transactions	2018	2017
		P	P
Ministry of Tertiary Education Research Science and Technology	Government Grant	49,925,380	48,177,941
Human Resource Development Fund	Administration fees	31,120,620	28,106,843
Human Resource Development Fund	Reimbursement of sector plan costs	8,613,987	2,544,607

Key management compensation

Key management includes Board members and the executive committee. The compensation paid or payable to key management for employee services together with payments made to the directors are shown below;

	2018	2017
	P	P
Key management - salaries and short term benefits	9,005,253	6,729,981
Key management - gratuity and leave pay	2,138,703	3,259,396
Management - total	11,143,956	9,989,377
Payments made to board members	394,131	281,417
	11,538,086	10,270,794

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

	2018	2017
	P	P
Human Resource Development Fund - Administration fees	7,374,551	6,517,659
Human Resource Development Fund - Reimbursable Grant	9,872,103	5,476,645
	17,246,654	11,994,304

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Cont...)

21. 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 Barclays Bank Botswana Limited. The maximum amount guaranteed at 31 March 2018 was P16,437,261 (2017 :P12 679 631). 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 will be registered in the name of the employee while the financial interest of the HRDC will be noted on the vehicle registration book.

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

DETAILED EXPENDITURE STATEMENT

for the year ended 31 March 2018

1 Administrative expenses

Annexure I

	2018	2017
	P	P
Advertising	1,741,202	2,370,340
Amortisation of intangible assets (note 6)	141,122	124,009
Audit fees	281,617	192,160
Bank charges	97,480	103,515
Board expenses	301,322	414,575
Consultancy	7,184,948	2,047,077
Depreciation	2,649,941	2,386,892
Development office expenses	738,102	389,059
Electricity and water	493,281	546,527
Impairment charge / (reversal) on receivables	379,792	68,437
Insurance	749,659	536,214
Legal fees	52,399	70,977
Library	30,783	91,814
Printing and stationery	1,113,329	1,364,893
Recruitment cost	91,193	596,578
Repairs and maintenance	1,725,707	1,977,090
Research and development	85,702	700,000
Salaries and wages	56,609,797	48,978,180
Sector committee initiatives	859,526	1,112,793
Security services	360,267	277,460
Sitting allowance	394,131	232,642
Sitting allowance-sector committee	1,692,663	719,447
Staff welfare	540,162	370,373
Stakeholder meetings and conferences	2,354,245	2,497,637
Subscription	1,785,078	1,600,980
Telephone and postage	95,254	325,690
BHRDS Fair and Career Clinics	4,423,958	4,976,722
Training and capacity building	2,953,209	2,472,144
Travel and accommodation	3,296,368	2,027,646
Vehicle expenses	100,363	76,330
	93,322,600	79,648,202

This detailed expenditure statement does not form part of the financial statements covered by the audit opinion on pages 79 and 111.

NOTES

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HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL

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