

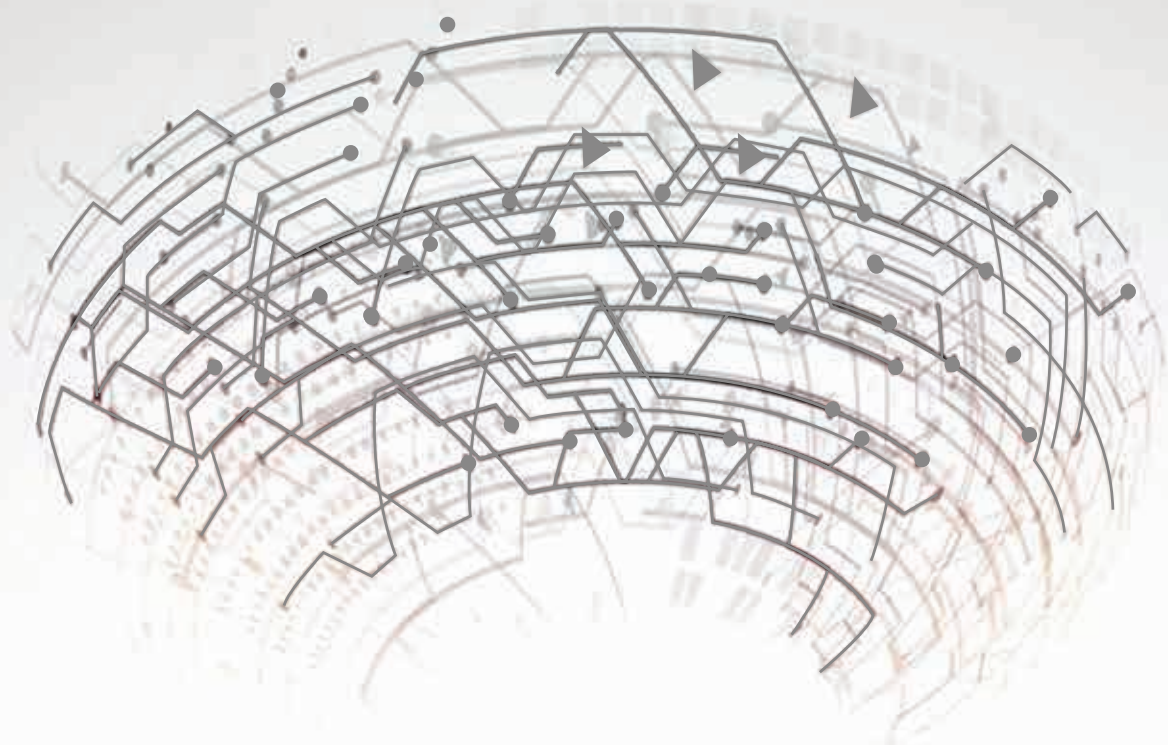


HUMAN
RESOURCE
DEVELOPMENT
COUNCIL
of BOTSWANA

OUR PEOPLE • OUR FUTURE

2018/19

ANNUAL REPORT



DRIVING BOTSWANA'S HUMAN CAPITAL AGENDA



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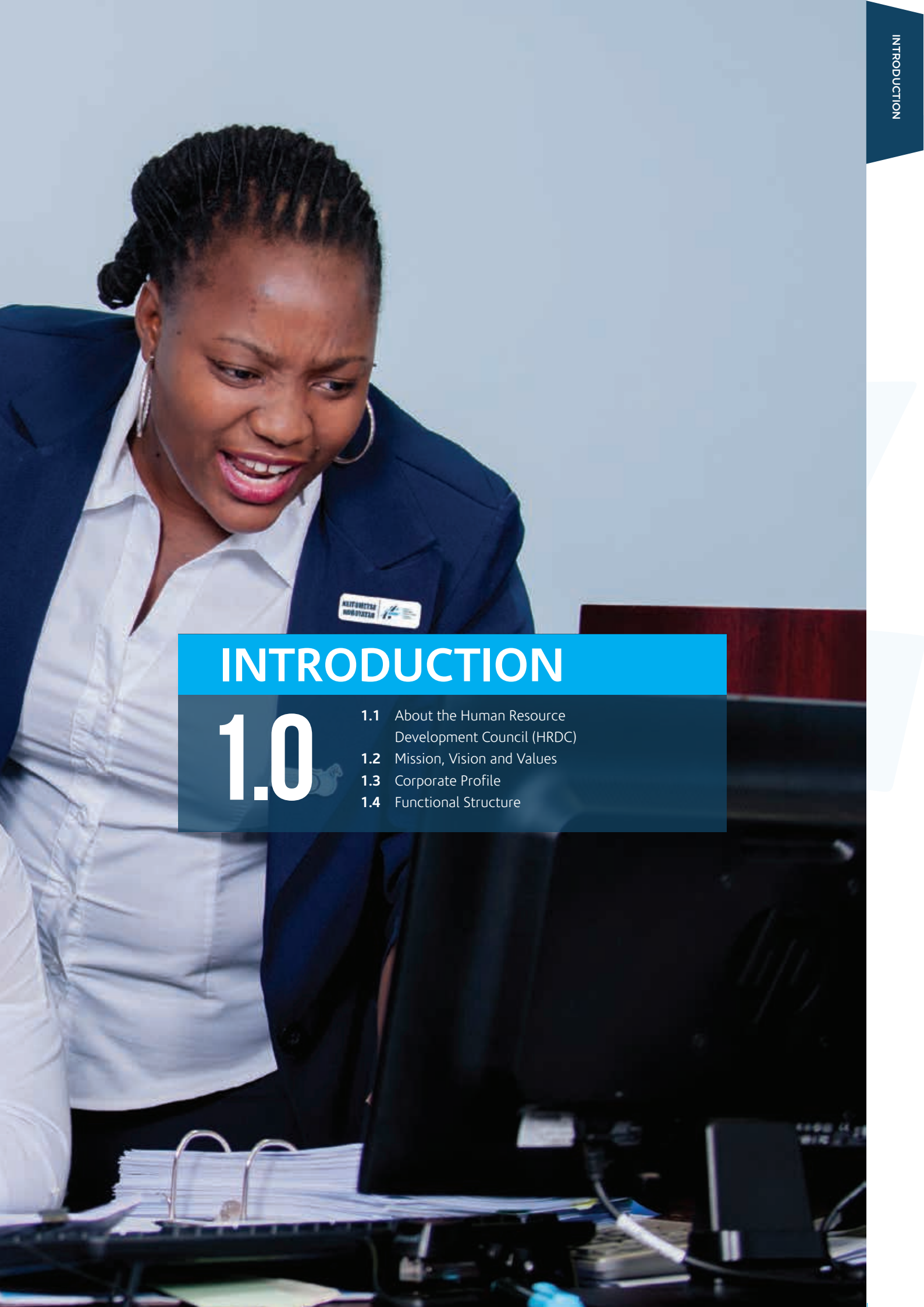
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A woman with dark hair in braids, wearing a blue blazer over a white shirt, is looking intently at a computer monitor. She has a name tag that reads 'MUTUMETSA MURRAY'. The background is a soft-focus office setting.

INTRODUCTION

1.0

- 1.1 About the Human Resource Development Council (HRDC)
- 1.2 Mission, Vision and Values
- 1.3 Corporate Profile
- 1.4 Functional Structure

INTRODUCTION



HRDC 2018/19 MILESTONE ACHIEVEMENTS

01

- Launch of the new HRDC brand

02

- Consultations for the National Human Resource Development Plan underway

03

- Compilation of the Creative Arts and Performing Arts (CAPA) Directory

04

- Monitoring of Tertiary Education Institutions (TEIs) and Workplaces

05

- 10th Northern and Southern and Botswana Human Resource Development Skills (BHRDS) Fair and Career Clinics conducted

06

- The first BHRDS held in Maun (North West) for the first time

07

- Tertiary Education Institutions (TEIs) Capacitated on Institutional Planning

08

- Development of plans for the Transfer of Unemployed Graduate Database (UGD)

09

- Annual Institutional Census conducted and Tertiary Education Statistics Report published

10

- Increased uptake of Fund

INTRODUCTION

1.1 ABOUT HRDC



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

Mrs Moggie Mbaakanyi



Chief Executive Officer (CEO)

Dr Raphael Dingalo



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Botswana Human Resource
Development Council



@BotswanaHRDC

INTRODUCTION

1.2 MISSION, VISION AND VALUES



HUMAN
RESOURCE
DEVELOPMENT
COUNCIL
of BOTSWANA

OUR PEOPLE • OUR FUTURE



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 2036.

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.

INTRODUCTION

1.3 CORPORATE PROFILE

ABOUT THE HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC)

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, 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.



INTRODUCTION

1.4 HRDC'S FUNCTIONAL STRUCTURE

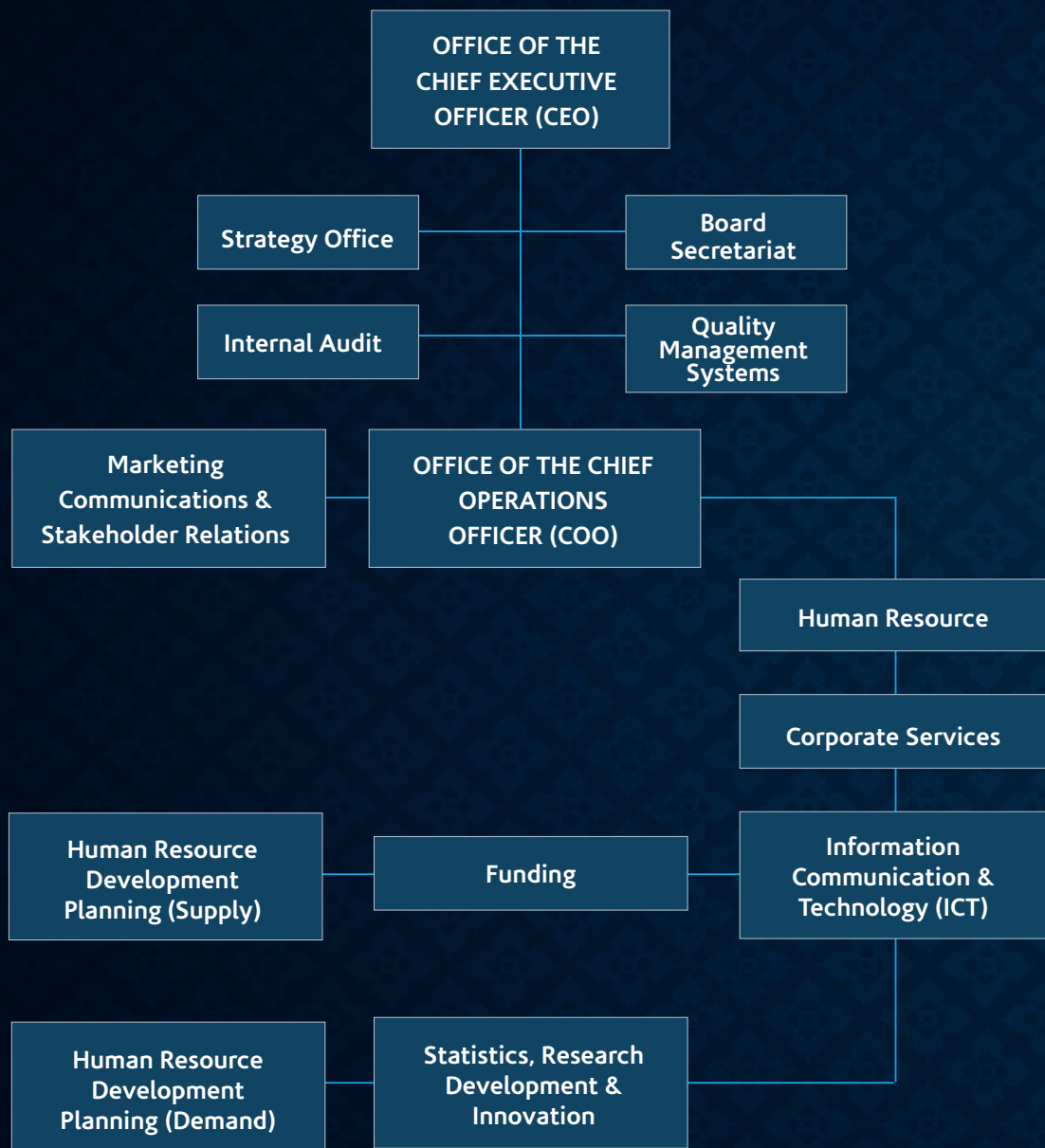


Figure One: HRDC Functional Structure

GOVERNANCE

2.0

- 2.1 Chairperson's Statement
- 2.2 Corporate Governance Report
- 2.3 Compliance with Corporate Governance
- 2.4 HRDC Board
- 2.5 Board Profiles
- 2.6 Board Committees
- 2.7 HRDC Board Meeting Attendance for 2018 -2019
Financial Year
- 2.8 Sector Committee Chairpersons
- 2.9 Chief Executive Officers Report
- 2.10 Executive Management Team

GOVERNANCE

2.1 CHAIRPERSON'S STATEMENT



It is my pleasure to present to you the 2018/19 HRDC Annual Report. What is noteworthy is that the National Human Resource Development Plan (NHRDP) is now complete. It has gone through all the consultative processes with various stakeholders and is yet to go through the final approval structure, being Cabinet. We anticipate that once approved, it will facilitate the smooth implementation of the National Human Resource Development Strategy (NHRDS).

This initiative will not only foster the creation of a knowledge based economy, but will see to it that our human capital is competitive and strategically empowered to place Botswana among the High Income economies and a major player in the 4th Industrial revolution. What is more exciting is that all the stakeholders involved in the production of the NHRD Plan will be fully involved in the implementation, monitoring and evaluation of both the NHRD Plan and the NHRDS.

Critical to the implementation of the NHRDP is a responsive National Labour Market Information System (LMIS) that will assist in providing labour market intelligence through the Labour Market Observatory (LMO) to ensure among others, that issues of skills mismatch and unemployment are addressed. This will not only provide information for career planning and evidence based decision making, but will inform other high level strategies and policies related to Education Financing, Skills and Trades Training as well as Immigration Strategies.

I am happy to announce that we have kick-started the development of the LMIS by undertaking a LMIS Statement of User Requirements (SOUR) and we hope to have a fully functional LMIS by March 2021.

Lastly, let me appreciate the support from our key stakeholders especially our parent Ministry of Tertiary Education, Research, Science and Technology. I would also like to take this opportunity to thank the HRDC Board, Management and Staff for their dedication towards making our vision a reality.

I thank you.

Ms. Moggie Mbaakanyi

BOARD CHAIRPERSON

HUMAN RESOURCE DEVELOPMENT COUNCIL

GOVERNANCE

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.

GOVERNANCE

2.3 COMPLIANCE WITH CORPORATE GOVERNANCE

2.3.1 INTERNAL AUDIT UNIT

The Council has an independent Internal Audit function which provides assurance to the Board 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 functionally reports to the Finance and Audit Committee of the Board and administratively to the Chief Executive Officer (CEO). The purpose, responsibility and authority of the Unit are all captured in the Audit Charter which has been approved by the Finance and Audit Committee.

2.4 HRDC BOARD

2.4.1 BOARD MEETINGS

The Board convened five (5) times, two (2) scheduled Quarterly Board meetings and three (3) Special Board Meetings. The number of Board meetings reduced by two (2) as compared to the previous financial year where the Board met seven (7) times to take care of various pressing transition matters.

The term of office for the members of the Board came to an end on the 2nd June 2018 and a new Board was appointed effective the 3rd June 2018. Membership to the Committees of the Board expired by extension. The Board convened special Board Meetings to appoint new members to the Committees but the main preoccupation of the Board in the 2018/19 Financial Year was the development of the National Human Resource Development Plan.

The Sector Human Resource Development (HRD) Committee was dissolved and replaced by a new Committee called the Human Resource Development Planning Committee.

2.4.2 BOARD COMMITTEE MEETINGS

Finance and Audit Committee met two (2) times.

Funding Committee met three (3) times.

Human Resource Committee met three (3) times.

Procurement Committee met three (3) times.

Human Resource Development Planning Committee met three (3) times

GOVERNANCE

2.5 BOARD PROFILES

**Ms. Moggie F. M. Mbaakanyi - Chairperson**

Ms. Mbaakanyi 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 (MCE) 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 Assistant Minister of Education which she served until 1st April 2008.

**Mr. Moatswi Sekonopo – Vice Chairperson**

Mr. Sekonopo is the Vice Chairperson of the Human Resource Development Council (HRDC) Board. He is a Professional Architect, Project Manager, Property Development Expert, Built Environment Expert and Entrepreneur with years spanning almost 20 years. Mr Sekonopo is currently ArcSwana Architect's Chairman and Managing Director of K-Hill Property Development.

He is a Professional Architect registered with the Architects Registration Council (Botswana), South African Council of Architectural Profession, a member of the Architectural Association of Botswana, Chartered Member of Royal Institute of British Architects (RIBA) and a member of South African Institute of Architects (SAIA). He holds a Bachelor of Architecture from Howard University in Washington DC (USA) attained in May 1999 as well as Master of Civil Engineering in December 2000 from the Catholic University of America, Washington DC (USA).

**Ms. Kebosweditse Ntebela - Member**

Ms. Ntebela possesses Degrees in Health, Education and Commerce. She holds a Master of Business Administration (MBA). She has 11 years of experience in Education and 25 years in the Medical Aid Industry at both Operational and Executive Management Level.

She was previously an Operations Manager with Metropolitan Botswana from 2005-2014, Strategic Business Manager from 2000 -2005 with Botswana Medical Aid Society (BOMAID), Fund Manager from 1990 -2000 with BOMAID and Botswana Government 1980-1990 with the National Health Institute. Cumulatively, she possesses 37 years work experience in both the private sector and public service. She retired in 2014.

GOVERNANCE

2.5 BOARD PROFILES (CONTINUED...)



Ms. Ruth Mphathi - Member

Ms. Mphathi graduated with a Master's Degree in Professional Accounting from the University of Washington, USA. Furthermore, she holds a Bachelor of Commerce Degree from the University of Botswana. She has a career spanning 27 years within the public accounting and manufacturing sectors as well as the water industry (Water Utilities) where she played various roles in general management and strategic planning, culminating in the position of Corporate Secretary, a senior management role which was responsible for both Board administration and coordination of various corporate support services.

She has worked for Botswana Postal Services as Corporate Services Director and as Head of Strategy and Governance. A significant part of her career was spent on Board operations and as a Director on several Boards including National Development Bank (NDB) and Botswana Savings Bank (BSB) just to mention a few. Being an advocate for effective corporate governance, Ms. Mphathi has vast experience and expertise in the field of accounting, strategic planning, board administration, corporate governance, human resource management and procurement.



Ms. Helen C. Chilisa - Member

Ms. Chilisa has about 17 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 (MoBE). 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. Her previous work experience includes; Secretary of Reforms at the Ministry of Education and Skills Development, Secretary General Botswana National Commission UNESCO and Country Manager and Director (Botswana) with the Association of Chartered Certified Accountants (ACCA)



Mr. Kelapile Ndobano - Member

Mr. Ndobano holds an 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, with 27 years' work experience. He is a Board Member in Diamond Trading Company, Botswana (DTCB), Botswana Privatisation Asset Holdings (BPAH-Chairman), and Botswana Institute for Development Policy Analysis (BIDPA). He previously served in the Boards of Botswana Building Society (BBS) and the then Tertiary Education Council (T.E.C.).

GOVERNANCE

2.5 BOARD PROFILES (CONT...)

**Ms. Seilaneng Godisang - Member**

Ms. Godisang has a Law Degree from the University of Botswana (UB) and she is currently a legal partner at Kelobang Godisang Attorneys.

Ms. Godisang is admitted to practice as an attorney in the courts of Botswana since 2006. She has experience in transactional law, corporate lending, banking, financial services, labour disputes, competition and debt collection.

She possesses 10 years work experience in both the private practice and corporate bodies among them Collins Newman & Co, Barclays Bank and Stanbic Bank.

**Ms. Tebogo Bagopi - Member**

Ms. Tebogo Bagopi graduated with a Bachelor of Arts in Social Sciences (Accounting and Public Administration) from the University of Botswana and a Higher National Diploma (Graphic Arts and Technical Management) from Watford, United Kingdom.

She is currently the Deputy Permanent Secretary (Corporate Services) at the Ministry of Tertiary Education, Research, Science and Technology where she is mainly responsible for strategic planning and management, policy direction oversight on financial management, human resource management and information, communication technologies (ICT), project management and coordination. She has more than 23 years' work experience in the Public Service. Prior to joining the Ministry of Tertiary Education, Research, Science and Technology (MoTE), Ms. Bagopi was the Deputy Permanent Secretary at the Office of the President as well as at the Ministry of Health.

She was also the Strategy Management Specialist at the National Strategy Office (NSO). Ms. Bagopi has extensive expertise and experience in different areas of corporate governance including performance and strategic management, quality management systems, change agent and leadership strategies, balance score card, systems thinking, monitoring and evaluation, enterprise risk management.

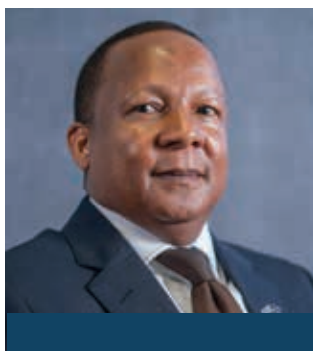
**Dr Grace Goitsemodimo Kgakge -Tabengwa - Member**

Dr Grace Goitsemodimo Kgakge -Tabengwa is currently the Director General at the National Strategy Office within the Office of the President. She was previously Head and Senior Research Fellow at the think-tank Botswana Institute for Development Analysis (BIDPA) where she specialised in macroeconomics and policy analysis. She holds a Bachelor of Arts (BA) Economics, Master of Science Economics from the University of Warwick (United Kingdom) and a PhD in Economics from the University of Witwatersrand, Johannesburg, South Africa.

She has over 20 years' experience in development policy analysis and has done extensive research on budget analysis, national planning, investment, competitiveness, diversification, human capital development among developing countries, including Botswana. Dr Kgakge – Tabengwa has published extensively.

GOVERNANCE

2.5 BOARD PROFILES (CONT...)



Mr. Lesego Harold Pule - Member

Mr. Lesego Pule is a graduate with a Masters of Business Administration (MBA) from University of KwaZulu-Natal. He is a seasoned leader that can guide an organisation in visioning of a marketing strategy, development of business cases and execution of an aggressive strategy.

He is much skilled in effective sales and marketing communications, networking, team building, public relations, coaching and mentoring. He is currently the General Manager at Metropolitan Health Botswana. Mr Pule's career span for more than 27 years in the corporate world.



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).

Note: He resigned from the Board in December 2018 to take up other national assignments.



Mr. Kavis Kario - Member

Mr. Kario is an experienced leader with senior management experience in large corporate bodies and public office. He attained his Bachelor of Mining Engineering (BEng Honours) from University of Leeds, United Kingdom. He acquired his further training in Advanced Mining from University of Lulea, Sweden; Management Development Programme (MDP) from Stellenbosch University, RSA; General Management Programme from Harvard Business School, USA and Advanced Project Management from University of Cape Town, South Africa.

Mr. Kario has applied his trade in large and reputable mining companies such as Gem Diamonds, Debswana Diamond Company, Cross Springs Holdings and BCL. He is a shrewd strategic and tactical leader with an eye for the long term while delivering the business of the day. He has more than 26 years' experience within the mining sector and currently works at Karowe Mine as the Mining Manager.



Dr. Raphael Dingalo - Ex-Officio

Dr. Raphael Dingalo is the Chief Executive Officer of the Human Resource Development Council (HRDC). He has worked at a number of Organisations that champion human capital development in Botswana, holding various positions including Deputy Permanent Secretary in the Ministry of Education and Skills Development. He has also worked as Deputy Clerk of Cabinet and Deputy Clerk of the National Assembly.

Dr. Dingalo spent time as Ag Vice Chancellor of Limkokwing University of Creative Technology (LUCT) Botswana and also worked at the University of Botswana, in the Centre for Academic Development (CAD). He holds a professional degree of Doctor in Education (EdD) University of London, UK; a Master in Education (M.Ed) from the University of Manchester School of Education, (UK); and a Bachelor of Education (B.Ed) from the College of St Mark and St John (UK).

GOVERNANCE

2.6 BOARD COMMITTEES

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

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 to fund the education and training sector.

Membership

- | | |
|----|--|
| 1. | Dr. Thapelo Matsheka - Chairperson (Resigned 5th December, 2018) |
| 2. | Ms. Ruth Mphathi – Member |
| 3. | Ms. Seilaneng Godisang – Member |
| 4. | Dr. Raphael Dingalo (Ex- Officio) |

2. Human Resource Development Planning Sector Committee

Purpose of Committee:

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. | Dr. Grace Kgakge - Tabengwa - Chairperson |
| 2. | Mr. Kavis Kario – Member |
| 3. | Mr. Moatswi Sekonopo – Member |
| 4. | Ms. Kebosweditse Ntebela |
| 5. | Dr. Raphael Dingalo (Ex –Officio) |

3. Human Resource Committee

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. Seilaneng Godisang – Chairperson |
| 2. | Mr. Moatswi Sekonopo –Vice Chairperson |
| 3. | Mr. Lesego Pule – Member |
| 4. | Ms. Tebogo Bagopi – Member |
| 5. | Dr. Raphael Dingalo (Ex – Officio) |

GOVERNANCE

2.6 BOARD COMMITTEES (CONT...)

4. Procurement Committee

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.	Ms. Kebosweditse Ntebela – Chairperson
2.	Ms. Tebogo Bagopi – Vice Chairperson
3.	Mr. Lesego Pule – Member
4.	Ms. Helen Chilisa – Member
5.	Dr. Raphael Dingalo (Ex – Officio)

5. Finance and Audit Committee

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. Ruth Mphathi —Chairperson
2.	Mr. Kelapile Ndobano – Vice Chairperson
3.	Ms. Helen Chilisa – Member
4.	Ms. Kebosweditse Ntebela – Member
5.	Dr. Raphael Dingalo (Ex – Officio)

GOVERNANCE

2.7 HRDC BOARD MEETING ATTENDANCE FOR 2018 – 2019 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 laws.

2.7.1 HRDC BOARD MEETINGS FOR THE FINANCIAL YEAR 2018/2019

DATE OF MEETING		TYPE OF MEETING
1.	29 th August 2018	Special Board Meeting
2.	27 th November 2018	Quarterly Board Meeting
3.	6 th December 2018	Special Board Meeting
4.	15 th March 2019	Quarterly Board Meeting
5.	22 nd March 2019	Special Board Meeting
Total Number of Meetings Convened		Five (5)

2.7.2 BOARD MEMBER ATTENDANCE FOR THE 2018/19 FINANCIAL YEAR

HRDC BOARD MEMBERS		TOTAL NUMBER OF MEETINGS ATTENDED	PERCENT MEETINGS ATTENDED
1.	Ms. Moggie Mbaakanyi - Board Chairperson	5/5	100 Percent
2.	Mr. Moatswi Sekonopo - Vice Board Chairperson	5/5	100 Percent
3.	Ms. Tebogo Bagopi - Member	4/5	80 Percent
4.	Ms. Helen C. Chilisa- Member	2/5	40 Percent
5.	Ms. Seilaneng Godisang - Member	5/5	100 Percent
6.	Mr. Kavis Kario - Member	2/5	40 Percent
7.	Dr. Thapelo C. Matsheka - Member	2/2	Resigned from HRDC Board Membership on the 5 th December 2018
8.	Ms. Ruth Mphathi- Member	5/5	100 Percent
9.	Mr. Kelapile Ndobano - Member	2/5	40 Percent
10.	Ms. Kebosweditse Ntebela - Member	4/5	80 Percent
11.	Mr. Lesego H. Pule - Member	4/5	80 Percent
12.	Dr. Grace Kgakge-Tabengwa - Member	2/5	40 Percent

GOVERNANCE

2.7.3 FINANCE AND AUDIT COMMITTEE MEETINGS FOR THE 2018/19 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	25 th October 2018	11 th Quarterly Finance and Audit Committee Meeting
2.	11 th February 2019	12 th Quarterly Finance and Audit Committee Meeting
TOTAL Number of Meetings Convened		Two (2)

2.7.4 PROCUREMENT COMMITTEE MEETINGS FOR THE 2018/19 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	29 th May 2018	12 th Quarterly Procurement Committee Meeting
2.	16 th October 2018	13 th Quarterly Procurement Committee Meeting
3.	5 th February 2019	14 th Quarterly Procurement Committee Meeting
Total Number of Meetings Convened		Three (3)

2.7.5 FUNDING COMMITTEE MEETINGS FOR THE 2018/19 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	19 th October 2018	12 th Funding Committee (Special) Meeting
2.	2 nd November 2018	13 th Quarterly Funding Committee Meeting
3.	14 th February 2019	14 th Quarterly Funding Committee Meeting
TOTAL Number of Meetings Convened		Three (3)

GOVERNANCE

2.7.6 HUMAN RESOURCE (HR) COMMITTEE MEETINGS FOR THE 2018/19 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	31 st May 2018	12 th (Special) HRD Sector Committee Meeting
2.	18 th October 2018	13 th Quarterly HRD Planning Committee Meeting
3.	7 th February 2019	14 th Quarterly HRD Planning Committee Meeting
Total Number of Meetings Convened		Three (3)

2.7.7 HUMAN RESOURCE DEVELOPMENT PLANNING COMMITTEE MEETINGS FOR THE 2018/19 FINANCIAL YEAR

DATE OF MEETING		TYPE OF MEETING
1.	17 th April 2018	12 th (Special) HRD Sector Committee Meeting
2.	18 th October 2018	13 th Quarterly HRD Planning Committee Meeting
3.	7 th February 2019	14 th Quarterly HRD Planning Committee Meeting
Total Number of Meetings Convened		Three (3)

GOVERNANCE

2.8 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 35 - 38 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



Prof. Nthabiseng Phaladze
Health Sector



Mr. Othata Batsetswe
Finance and Business
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. Motlagodi Molomo
Manufacturing Sector



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



Mr. Phillip Segola
Creative Industries
Sector



Dr. Comfort Mokgothu
Transport and Logistics
Sector



GOVERNANCE

2.9 CHIEF EXECUTIVE OFFICER'S REPORT



Inarguably, human capital development has evolved over the years and it is now a fundamental driver of Botswana's economic growth. As Human Resource Development Council (HRDC), our primary concern is to ensure that we have a competitive human resource based to aid development as per our mandate. The Human Resource Development Council (HRDC) Strategic Plan 2016 - 2021 which is in its third year of its implementation provides a broad framework that guides efforts towards achievement of our mandate. In the 2018/19 Financial Year a number of key initiatives were undertaken that involved a broad spectrum of stakeholders. The highlights for the year are:

Governance

HRDC welcomed new Board Members. I wish to acknowledge the immense experience and knowledge that the new Board Members bring to advance the HRDC's agenda of driving the human capital development of our nation. I would like to thank the outgoing board members for their stewardship and unwavering support as they served and advanced the vision of the Council.

National Human Resource Development Plan

In our endeavour to coordinate the implementation of the National Human Resource Development Strategy (2009-2022), HRDC has developed the National Human Resource Development Plan (NHRDP) in consultation with both the public and private sector. The National HRD Plan presents a blue print that will not only guide human capital development in Botswana but will provide indicators for effective monitoring and evaluation of the NHRDS. The NHR Plan is yet to be presented to Cabinet for approval.

Corporate Strategy – Mid Term Review

HRDC has recently reviewed its Five Year Corporate Strategy. The midterm review evaluated progress on the achievement of our Strategic Objectives and addressed emerging issues and challenges impeding effective delivery of our services. The review provided an opportunity to assess our continued relevance in the rapidly changing socio – economic and technological landscape. The strategic imperatives were aligned to the objectives of Vision 2036.

Labour Market Observatory (LMO)

In a quest to improve labour productivity and enhance our competitive edge, the nation is compelled to have current and accurate labour market information that will meet the needs of policy makers, employers, investors and learners. The Council is in the process of developing the Labour Market Information System (LMIS) in response to an urgent need to have a coordinated labour market information. A consultancy has been engaged to develop the Statement of User Requirement (SOUR) for LMIS.

Botswana Human Resource Development Skills (BHRDS) Fair and Career Clinics

A total of three (3) BHRDS Fair & Career Clinics were held in the following locations across the country: Francistown, Maun and Gaborone. The BHRDS Fair and Career Clinics presents an incredible opportunity for learners to interact with the industry to explore available career options and make informed career choices. The intention was to address issues of skills mismatch. The BHRDS Fair

GOVERNANCE

2.9 CHIEF EXECUTIVE OFFICER'S REPORT (CONT...)

and Career Clinics is in its 10th Year of existence. It had been confined to the Southern region only and has since expanded coverage (Francistown and Maun) with a view to improve equitable access to learners.

National Human Resource Development Conference HRDC will host the National Human Resource Conference in the 2019/20 Financial year under the theme 'Competitive Human Resource a Leading Driver for The Economy in The 21st Century.' I am pleased to announce that we have received an overwhelming response of Local and International Presenters and Speakers as well as Sponsors to this Conference.

Human Resource Development Fund (HRDF) Impact Study

HRDC undertook an Impact Study to evaluate the effectiveness of the HRDF with a view to establish whether the intended objectives of the Fund were achieved. The objectives of the Fund among others were to; motivate enterprises to train their staff; increase skills base at the workplaces; create new opportunities in the training market and to support the goal of cost-sharing in skills development in Botswana. It is anticipated that the study will make recommendations towards improving the effectiveness and efficiency of the Fund.

Launch of the New HRDC Brand

I am delighted to announce the launch of our new brand identity. As part of the 2016 - 2022 Strategic Plan, rebranding was identified as a strategic goal that will advance our service delivery significantly. There was need for us to update and refresh our brand to reflect who we are and what we exist to deliver. The new brand has helped us to communicate to our valued stakeholders and the public at large with regards to the services we exist to provide. It has helped us to define a clear, updated value proposition and to establish a strong visual identity. The new logo design was developed based on the feedback we received from our stakeholders.

The new logo has been registered with The Companies and Intellectual Property Authority (CIPA) and brand originality was quality assured. The brand was officially

launched by the Minister of Tertiary Education Research Science and Technology (MoTE), Honourable Thapelo Olopeng on the 26th March 2019.

We are currently developing the modalities for implementation of the new brand.

Stakeholder Engagement

HRDC took its services to the people across the country through the Business Breakfast Seminars and Open Days which were held in Letlhakane and Francistown. Invited Stakeholders included the Leadership of the selected area, Business Community/Levy Payers and Education and Training Providers.

HRDC continued to undertake capacity building and support for workplaces through workshops and support visits to promote uptake of structured and planned skills development and training. These workshops were intended to advocate for the need to upskill employees on operational skills and facilitate the development of Work Skills Training Plans (WSTPs).

Corporate Social Responsibility (CSR)

HRDC is committed to its Corporate Social Responsibility (CSR) initiatives and hosted the Fundraising Gala Dinner to raise funds to construct a house for a needy family. I would like to acknowledge the overwhelming support we received from both the public and private sector towards the course.

As HRDC we pledge to continue to uphold principles of good governance. 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 (CEO)

HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC)

GOVERNANCE

2.10 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)



Mr. Mothusi Masole
Director, Funding

GOVERNANCE

2.10 EXECUTIVE MANAGEMENT TEAM (CONT...)



Dr. Tlamele Sekambo
Director, Statistics, Research
Development & Innovation



Mr. John Vassiliadis
Director, Information
Communication Technology



Ms. Matshepo Rapulane
Director, Human Resource



**Ms. Masingoaneng B.
Ramodimoosi**
Board Secretary



Dr. Matthews Phiri
Manager, Strategy



Ms. Agnes Phuthego
Manager, Internal Auditor



OPERATIONAL PERFORMANCE REPORTS

3.0

- 3.1 Organisational Performance
- 3.2 Determining Demand for Human Resource Development Report
 - 3.2.1 Membership of all 12 Sector Committees
- 3.3 Coordinating Supply of Human Resource Development Report
- 3.4 Funding Workplace Training and Skills Development Report
- 3.5 Data Management, Research and Innovation Report
- 3.6 Stakeholder Engagement Report
- 3.7 Corporate Social Responsibility Report
- 3.8 Information, Communication and Technology Report
- 3.9 Quality Management System Report
- 3.10 Human Resource Management Report
- 3.11 Corporate Budget and Expenditures Report

OPERATIONAL REPORTS

3.1 ORGANISATIONAL PERFORMANCE 2018/19

The Financial Year under review highlights HRDC's organisational performance in the implementation of the 2018 - 19 Annual Corporate Plan in pursuit of achieving our mission, **"To make Botswana's Human Resource Globally Competitive by 2036"**.

At the end of the year, the Council had achieved 86 percent which is a slight improvement in comparison to last financial year's performance score of 85.2 percent (0.8 percent increase). The 86 percent performance score is an average of all 29 measures performance scores. Details on the issues of this performance are in the sectional operational reports.

Quarterly Performance Trends

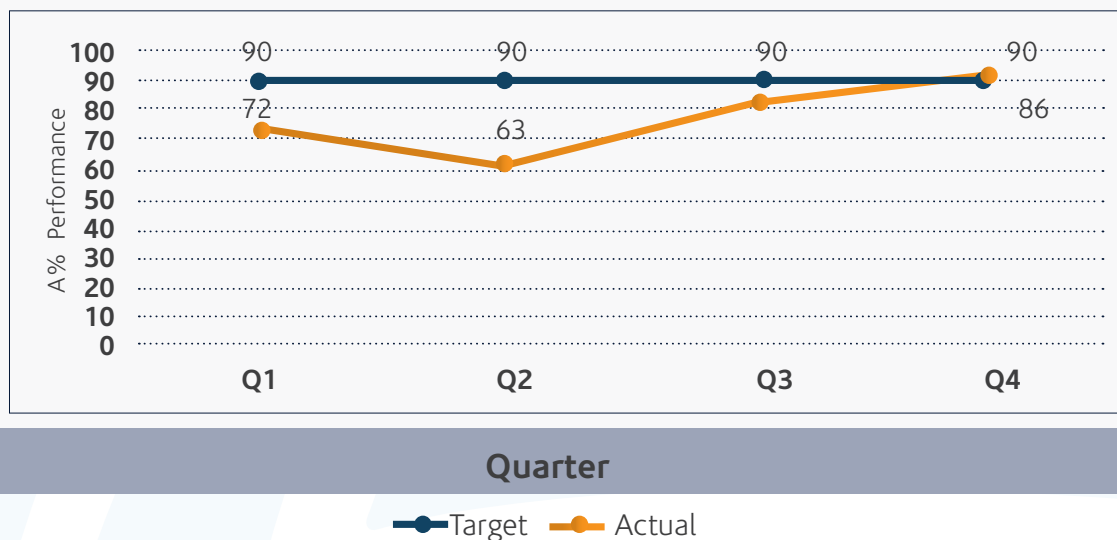


Figure Two: 2018/19 Quarterly Organisational Performance Trends

At the end of the year, the Council had achieved **86 percent** which is a slight improvement compared to last financial year's performance score of 85.2 percent (**0.8 percent increase**). The 86 percent performance score is an average of all 29 measures performance scores. Details on the issues of this performance are in the sectional operational reports.

OPERATIONAL REPORTS

3.2 DETERMINING DEMAND FOR HUMAN RESOURCE DEVELOPMENT

ACHIEVEMENTS

DEVELOPMENT OF THE NATIONAL HUMAN RESOURCE DEVELOPMENT PLAN

In its endeavour to continue implementing the National Human Resource Development Strategy (2009-2022), the Human Resource Development Council (HRDC), has developed the National Human Resource Development Plan (NHRDP) which will be presented to Cabinet for final approval as a national document guiding human capital development in Botswana. The Plan addresses Botswana's human resource strategic priority which requires globally competitive citizens for a knowledge economy and knowledge society.

The Plan responds to this requirement by guiding the production of an adequate supply of qualified, skilled and productive human resource that is globally competitive and relevant to the economic and social development needs of the country. The desired outcome is a new and diversified economy based on the export potential of a knowledge based economy and driven by the private sector.

ANNUAL REVIEW OF THE CURRENT AND FUTURE SKILLS IN DEMAND

HRDC continues to play its critical role of advising on all matters relating to human resource development. These entail amongst others, ensuring that the supply of graduates is aligned to needs of the labour market. HRDC consults the employers through the Sector Human Resource Development Committees, to identify both the current and future skills needed in both the local and global market. In this endeavour, HRDC has produced the 2019 Current and Future

Skills Report which has been shared with the Education Training Providers to review and develop programmes that are responsive to the needs of both the local and global market. The Ministry of Tertiary Education Research Science and Technology (MOTE), Ministry of Employment Labour Productivity and Skills Development (MELPSD) in collaboration with GIZ have used priority skills generated by HRDC to prioritise developing five (5) new programmes for the Brigades (NCQF Level Three) and Technical and Vocational Education Institutions (NCQF Level Six). The five new prioritised programmes include:

1. **Jewellery Design and Manufacturing- NCQF Level Six (6)**
2. **Ground Water Engineering-NCQF Level Six (6)**
3. **Auto Electronics- NCQF Level Six (6)**
4. **Borehole Mechanics and Water Management - NCQF Level Three (3)**
5. **Auto Mechanics and Auto Electrics- NCQF Level Three (3)**

These programmes are expected to be responsive to the skills in demand from the Manufacturing Sector and Mining Minerals Energy and Water Resources(MMEWR) Sector. Representatives from the Manufacturing Sector HRD Committee and MMEWR Sector HRD Committee have been included in the Technical Team developing the programmes to ensure that the new programmes produce graduates that have acquired practical skills required by the industry. The picture below shows an illustration of learners at Technical and Vocational College who will soon enrol in the new programmes.

OPERATIONAL REPORTS

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



Industry partnering with Technical and Vocational Colleges in training learners on practical skills needed in the mines

HUMAN RESOURCE DEVELOPMENT SECTOR COMMITTEES

The Human Resource Development Sector Committees have over the last three (3) years been implementing quick wins destined to kick start key human resource development initiatives that are immediately expected to have an impact in the socio-economic development of the country. In 2018 the Creative Industries Sector Human Resource Development Committee developed the Creative Industries Sector Directory. The Committee identified the need for a National Creative Industries Directory that is aimed at providing information on existing Creative Industries practitioners, key players and stakeholders in the sector as well as venues such as galleries and performance spaces as one of its quick wins.

The purpose of the Creative Industries Sector Directory is to provide a resource for reference and for profiling the sector in order to appreciate and understand key stakeholders in the Sector. Once the Sector is profiled, it will be easier to also identify and profile the skills both existing and those required in the Sector. The Directory is also a platform through which the arts and culture of Botswana can be promoted locally, regionally and internationally. Picture below shows the cover page of the Creative Industries Sector Directory.



Cover Page of the Creative Industries Sector Directory

CHALLENGES

Although HRDC continues to make strides in guiding human capital development, there are challenges which are both directly and indirectly related to the process of transforming Botswana to a knowledge based economy and knowledge society.

These include the following amongst others:

1. While most Education Training Providers are partnering with the Industry to review and develop new programmes that addresses the demands of the labour market in order to produce graduates who are ready to work, the country's economic growth is not generating sufficient jobs to absorb the said graduates.
2. The development of both the National and Sector Human Resource Development Plans continues to take more time due to lack of expertise in developing Human Resource Development Plans.
3. Lack of quality labour market data to facilitate the Human Resource Development Planning process.

OPERATIONAL REPORTS

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

3.2.1 SECTOR COMMITTEE MEMBERS

MEMBERSHIP OF ALL TWELVE (12) SECTOR COMMITTEES

1. TOURISM SECTOR COMMITTEE	
1.	Ms. Lily Rakorong- Chairperson
2.	Ms. Montle Siya
3.	Mr. Kudzani Nlashwa
4.	Ms. Kelebaone Maselesele
5.	Mr. Rex B. Mokandla
6.	Mr Frank Limbo
7.	Ms. Keneilwe Mathaba
8.	Rev. Mpho Moruakgomo
9.	Dr. Phumzile Magagula-Thobokwe
10.	Mr. Gokgathang T. Moalosi
11.	Mr. Peace Shamuka
12.	Mr. Dichaba S. Molobe
13.	Ms. Kerebotswe E. Makhulela
2. AGRICULTURE SECTOR COMMITTEE	
1.	Dr. Howard 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 Brian Headman
9.	Mr. Harry E. Johnson
10.	Mr. Ishmael Mosinyi
11.	Prof. Samodimo Ngwako
12.	Mr. Japhtha Radibe
13.	Ms. Segomotso Chimbombi
3. MINING, MINERALS, ENERGY AND WATER RESOURCES SECTOR COMMITTEE	
1.	Mr. Sebetlela Sebetlela - Chairperson
2.	Mr. Charles Siwawa
3.	Mr. Martin Cowley
4.	Mr. Jack Tlhagale
5.	Mr. Tom Millad
6.	Prof. Tunde Oladiran
7.	Dr. Obolokile T. Obakeng
8.	Mr. Kenneth Kerekang
9.	Mr. Mmetla Masire
10.	Mr. Oupa Masesane
11.	Mr. John Farr
12.	Mr. Labane Mokgosi
13.	Ms. Sandra Pabalinga

OPERATIONAL REPORTS

3.2.1 SECTOR COMMITTEE MEMBERS (CONT...)

4. INFORMATION, COMMUNICATION AND TECHNOLOGY SECTOR COMMITTEE	
1.	Mr. Norman Sebonego - Chairperson
2.	Mr. Letsapa Mojaphoko
3.	Mr. Teko Monko
4.	Mr. Thato Kewakae
5.	Ms. Matshidiso Mosalagae
6.	Mr. Pontsho Pusoetsile
7.	Ms. Keolebogile Rantsetse
8.	Mr. Billy Batlegang
9.	Prof. Kgomotso H. Moahi
10.	Mr. Cecil Masiga
11.	Mr. John Vassiliadis
12.	Mr. Boikanyo Chilume
13.	Mr. David Serojane
14.	Mr. Lazarus Motlhabane
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
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.	Ms. Jameela T. Gilika
9.	Mr. Thabiso Mashaba
10.	Mr. Bafana Pheto
11.	Mr. Japhta B. Radibe
12.	Ms. Segomotso S. Chimbombi

OPERATIONAL REPORTS

3.2.1 SECTOR COMMITTEE MEMBERS (CONT...)

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.	Ms. Yonnie Otukile
8. EDUCATION AND TRAINING SECTOR COMMITTEE MEMBERS	
1.	Ms. Phondy Morwaeng-Chairperson
2.	Prof 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 Mzwinila
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
9. PUBLIC SECTOR COMMITTEE MEMBERS	
1.	Mr. Jimmy Mathuba- Chairperson
2.	Mr. Bajaki Chika
3.	Ms. Maele Lele Keakitse
4.	Ms. Lesedi Mojela
5.	Ms. Beauty Wright
6.	Ms. Goitsemanang Tidimane
7.	Mr. Mothusi James
8.	Mr. Lovemore Mawila
9.	M.s Medy Moatshe
10.	Mr. Faried Van Wyk
11.	Ms. Bitsang Kgosi
12.	Mr. Baitshapi Tebogo
13.	Ms. Maelagongwe R. Dintwe
14.	Dr. Violet Essilfie
15.	Ms. Pauline Jonas

OPERATIONAL REPORTS

3.2.1 SECTOR COMMITTEE MEMBERS (CONT...)

10. TRANSPORT & LOGISTICS SECTOR COMMITTEE MEMBERS

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

11. RESEARCH, INNOVATION, SCIENCE AND TECHNOLOGY SECTOR COMMITTEE MEMBERS

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.	Dr. Outule C. Rapuleng
14.	Dr. Andrew Molwane

12. MANUFACTURING SECTOR COMMITTEE MEMBERS

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

OPERATIONAL REPORTS

3.3 COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT (HRD) REPORT

ACHIEVEMENTS

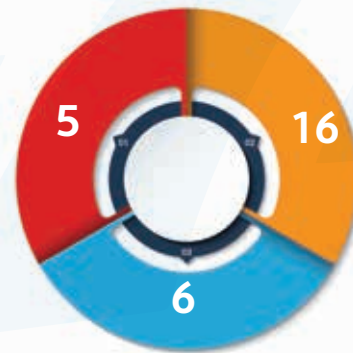
STUDENT PLANNING

STUDENT AFFAIRS SERVICES (SAS) NORMS AND STANDARDS

During the financial year under review, HRDC embarked on monitoring and evaluation (M & E) of the implementation of the Student Affairs Services (SAS) Norms and Standards Framework including Implementation Guidelines. The SAS Framework is a complimentary institutional layout that helps strengthen institutional environment that supports the learner. To this effect, 16 public institutions among them six (6) Institute of Health Sciences, six (6) Technical Colleges (6) and five (5) private institutions were capacitated on the implementation of the framework. In the previous financial year, HRDC only

rendered technical support to nine (9) institutions and they are expected to submit draft plans at the end of July 2019.

SAS Capacitated institutions by type



Public Institutions Technical College Others TEIs



PICTURE: Exhibitions at the Botswana Human Resource Development Skills Fair and Career Clinics 2019 in Gaborone

BOTSWANA HUMAN RESOURCE DEVELOPMENT SKILLS (BHRDS) FAIR & CAREER CLINICS 2018/19

A total of three (3) BHRDS Fair & Career Clinics were held in the following locations across the country: Northern Region from 6th to 8th February, 2019 in Francistown, the North West Region from 12th to 13th March 2019 in Maun and lastly the grand finale BHRDS Southern Region Fair and Career Clinics from 25th to 29th March, 2019. BHRDS is one amongst several other HRDC flagship projects. It is a one - stop - shop that brings together different stakeholders including but not limited to sectors of the economy, Education & Training Providers (ETPs) and the learners under one roof with an overall aim of facilitating informed career choices.

OPERATIONAL REPORTS

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

The BHRDS Fair and Career Clinics presents an opportunity for stakeholders in the human capital pipeline, demand (Industry and Workplaces) and supply (Institutions) to interface with students and share necessary industry relevant information. Since its inception 10 years ago, the BHRDS Fair and Career Clinics was confined to the Southern region of the country, but for the past 4 years HRDC extended their services through same to Francistown and then Maun last year.

Attendance by highest qualification attained in 2018 and 2019

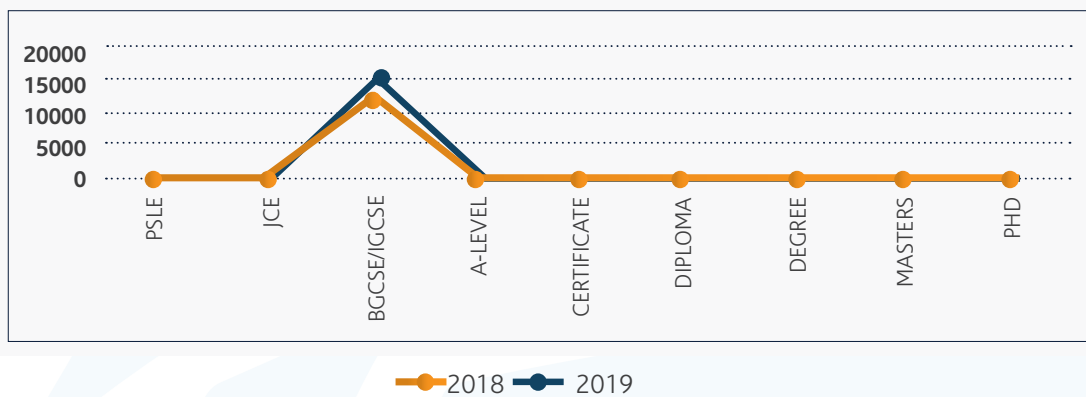


Figure Four: Overall attendance by highest education level attained for 2019 in comparison to 2018

TRAINING OF CAREER GUIDANCE TEACHERS

In a quest to further increase capacity in guiding learners to make the right career choices, HRDC in collaboration with Ministry of Basic Education (MOBE) continued to train Career Guidance Teachers. One Hundred & Twenty (120) Career Guidance Teachers across 10 regions nationally were trained on Human Resource Development (HRD) related information in February 2019. This training was aimed at empowering the Teachers to facilitate Career Fairs in their respective regions and more importantly to inform learners about Top Priority Skills in demand.



PICTURE: Invited Stakeholders at one of HRDC's Workshop

OPERATIONAL REPORTS

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

STUDENT LEADERSHIP TRAINING

HRDC continued to empower young Batswana, particularly those in leadership positions at the Education and Training Institutions. This year, for the second year running, HRDC partnered with the University of Botswana (UB) Faculty of Business, Department of Leadership and Management to train a total of 38 Tertiary Education Student Leadership participants. The training amongst others was aimed at inculcating 21st century leadership skills covering such topics as the Fourth Industrial Revolution, emotional intelligence, negotiation skills, conflict management, just to name a few. Among the participants, 20 were from the Private Tertiary Education Institutions while 18 were from Public Institutions as depicted in Figure five (5) below:

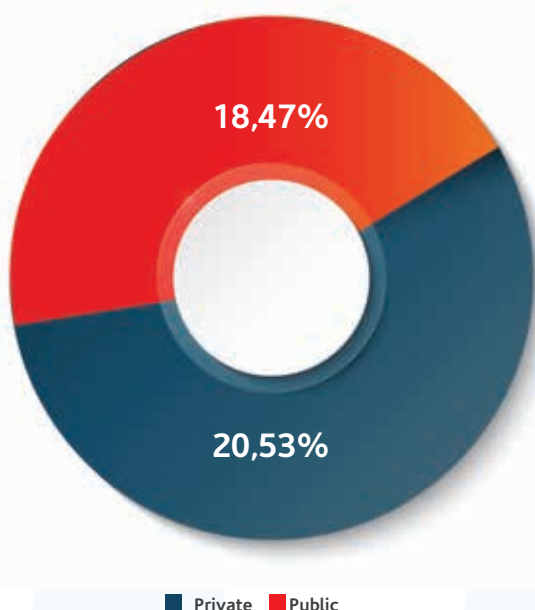


Figure Five: Student Representative Councils (SRCs) that attended the Student Leadership Training Workshop by type of Institution

INSTITUTIONAL PLANNING

Cumulatively, 38 out of 41 capacitated Institutions have Institutional Plans and are being monitored for implementation (see Figure 6 below). Capacity building on institutional planning started in 2016 covering both public and private institutions, which led to institutions starting to submit their draft Institutional Plans. Institutional Planning function is responsible for promoting the establishment, coordination and approval of institutional plans for the 48 tertiary education institutions. The main purpose is to guide institutions to train according to the identified needs of the economy by seeking to produce work-ready graduates and increasing access to relevant and quality tertiary education.

Out of the 41 institutions, 38 developed and submitted their institutional plans. Among them, 27 are public while 11 are private institutions.

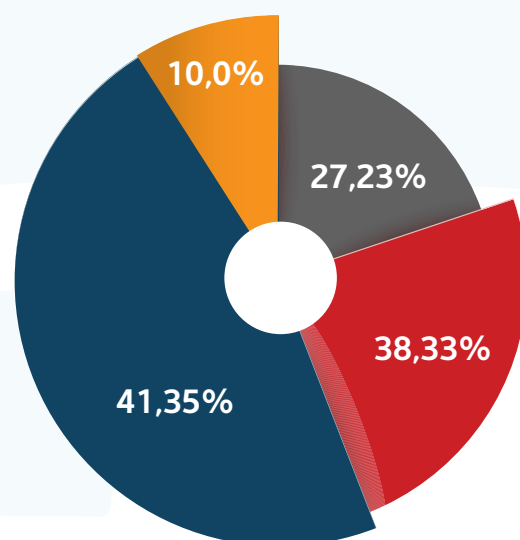


Figure Six: Number of Tertiary Education Institutions (TEIs) by Institutional Plans Status

■ Private submitted,...
 ■ Public submitted
 ■ TEIs Capacitated
 ■ IP Submitted

OPERATIONAL REPORTS

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

All the 27 capacitated Public Institutions submitted their plans, while 11 out of 14 among Private Institutions managed to submit their Institutional Plans.

To date, four (4) institutional plans have gone through the approval process undertaken by the Institutional Planning Technical Review Committee. Twelve (12) Monitoring and Evaluation institutional support visits were carried out for the purposes of capacity building and preparation for implementation. Institutional planning support visits are conducted to support Tertiary Education institutions so as to guide them to reflect on the efficiency and effectiveness of their programmes.

WORKPLACE LEARNING SUPPORT

In the financial year 2018/19, HRDC continued to undertake capacity building and support for workplaces through workshops and visits to promote

uptake of structured and planned skills development and training. A total of five (5) workshops were conducted in five (5) towns and villages namely: Tsabong; Francistown; Jwaneng; Letlhakane; Orapa; Kasane; Maun; Ghanzi; and Lobatse.

These workshops were intended to advocate for the need to upskill employees on operational skills and facilitate the development of Work Skills Training Plans (WSTPs). Subsequent to the workshops, monitoring and evaluation visits undertaken with the aim to offer support towards the implementation of the WTSPs.

CAPACITY BUILDING WORKSHOPS ATTENDANCE

A total of five (5) workshops were held in seven (7) towns and villages namely; Francistown, Jwaneng, Kasane, Letlhakane, Orapa, Lobatse, Maun and Ghanzi with 263 companies across 12 sectors of the economy were in attendance.

Percentages submission of IPs institutions type

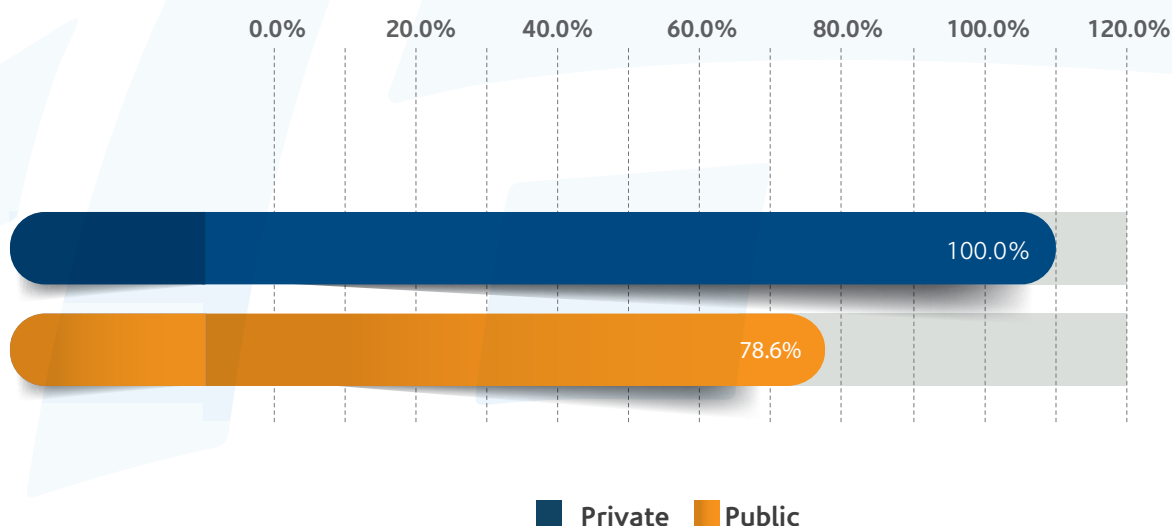


Figure Seven: Capacitated Institutions by type

OPERATIONAL REPORTS

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

WORKSHOPS ATTENDANCE

All the planned Capacity Building Workshops were successfully conducted.

No of Attendees

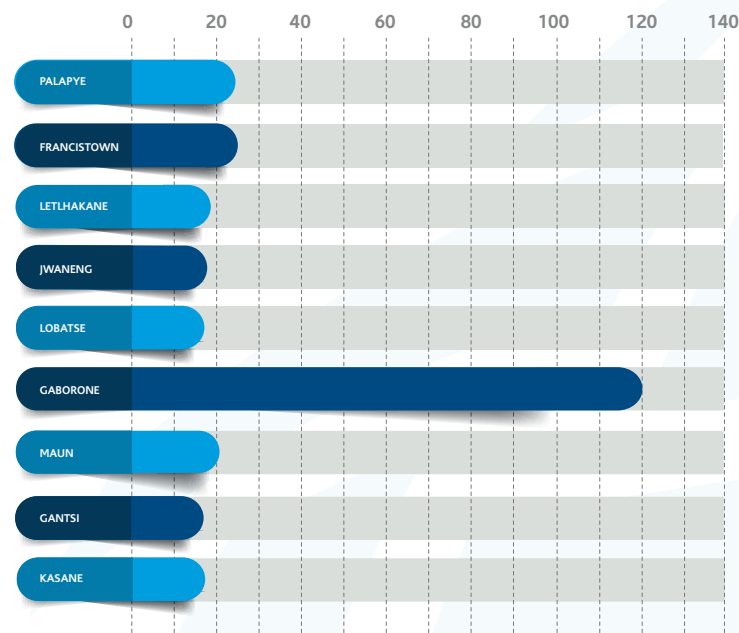
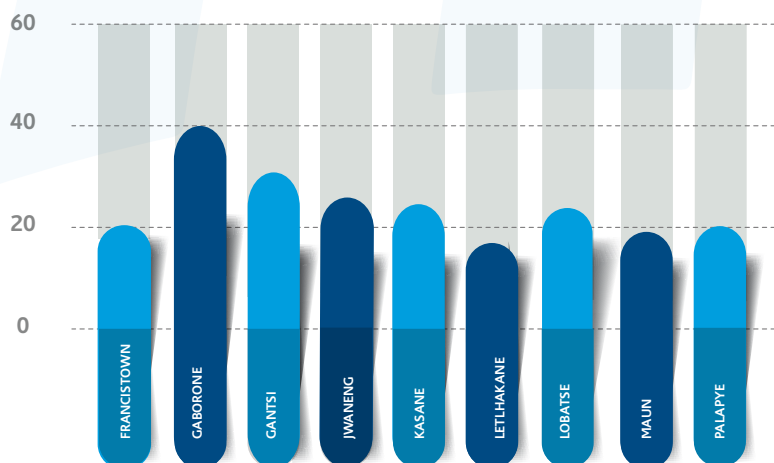


Figure Eight: Attendance of Capacitation Building Workshops by town/village

WORKPLACE SUPPORT VISITS

A number of workplace support visits were carried out in workplaces and they were capacitated on the development of Work Skills Training Plans (WSTPs). WSTPs are based on operational skills needs which enables skills audit to identify the employees' skills needs and subsequently the learning programmes appropriate to close the identified skills gaps. During the visits, HRDC then verifies whether the training is in line with the WSTPs submitted. One hundred and eight (108) companies were invited and 104 honoured the invitations.

WORKPLACE SUPPORT VISITS BY LOCATION



Workplace Visited

Figure Nine: Workplaces visited in 2018/19

OPERATIONAL REPORTS

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

WORK SKILLS TRAINING PLANS SUBMISSION

HRDC continued to prioritise submission of Work Skills Training Plans (WSTPs) in an endeavour to encourage workplaces to institutionalise workplace learning and prioritise continued empowerment and develop their employees. In addition, WSTPs are fundamental with regards to providing skills development information for further alignment with the national skills needs as well as informing the sector skills plans.

In the training period 2018/19, a total of 121 workplaces submitted WSTPs. The Sectors that did not submit are Creative Industries and Research, Innovation, Science and Technology.

NO	SECTORS	AGGREGATE	PERCENT
1.	Agriculture	3	2
2.	Construction	6	5
3.	Education & Training	4	3
4.	Finance & Business	5	4
5.	Health	4	3
6.	Information Communication and Technology (ICT)	4	3
7.	Manufacturing	17	14
8.	Mining, Minerals, Water and Energy Resources	22	18
9.	Public	5	4
10.	Retail	18	15
11.	Tourism	21	17
12.	Transport & Logistics	12	10
Total		121	100

Table One: Submission of Work Skills Training Plans by Sector

CHALLENGES:

- HRDC continued to experience low attendance during some of the workshops.
- Low number of WSTPs submitted.
- Workplaces' failure to regard skills training and development as an investment with high value addition
- Large number of Tertiary Education Institutions continue to offer programmes that do not meet industry skills needs.

OPERATIONAL REPORTS

3.4 FUNDING WORKPLACE TRAINING AND SKILLS DEVELOPMENT REPORT

ACHIEVEMENTS

HUMAN RESOURCE DEVELOPMENT FUND (HRDF)

HRDC continued its mandate of managing the Human Resource Development Fund that was established to finance Workplace Learning.

For the year under review, the levy collection was P366 million compared to P300 million reported in the previous year. Furthermore, the Fund realised a surplus of P170 million in the current year as compared to a surplus of P59 million that was realised in the previous year. The surplus grew as a result of an anomaly noted and normalised by Botswana Unified Revenue Services (BURS) regarding previous levies of P29 million. In addition, there was also a reduction of administration fees by P30 million as Botswana Qualifications Authority (BQA) administration fees were discontinued.

The achievements 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 Fund relative to the total

number of Levy payers was at 23 percent against a year target of 21 percent. It is worth noting that the rate of utilisation has steadily increased from 15 percent in 2017 to 23 percent in 2018.

Fund utilisation rate as measured by the total value of claims paid as a percentage of the total levy collected for the same period stood at 68 percent. The figure may seemingly look high relative to the level of uptake because currently 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.

For the year ending 31st March 2019, the Fund processed 99 percent of all the applications received against a year target of 95 percent. The turnaround time in the processing and payment of claims also improved from six (6) months in 2016 to four (4) weeks as at the end of the financial year.

These positive changes came about because the quality and completeness of clients' submissions significantly improved following extensive engagements and training on the submission processes by HRDC.



PICTURE: Stakeholders during the Levy Payers Workshops in Gaborone

OPERATIONAL REPORTS

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

Table Two below presents an analysis of the claims processed during the year 2018/19 as compared to the financial year 2017/18. There is a significant change in the number of claims processed as some companies consolidated subsidiary claims into one account. The Fund also did not have long outstanding claims from previous years.

FINANCIAL YEARS	CLAIMS PROCESSED DURING THE YEAR 2018/19	CLAIMS PROCESSED DURING THE YEAR 2017/18
Total claims for the period to date	3447	5626
Approved and paid claims for period to date	(3018)	(5186)
Approved (pending accumulation of funds)	(381)	(337)
Balance as at 31st March 2019	48	103
Percent of processed claims	99 percent	98 percent

Table Two: Analysis of claims processed during the Financial Year 2018/19

Table Two below presents an analysis of the claims processed during the year 2018/19 as compared to the financial year 2017/18. There is a significant change in the number of claims processed as some companies consolidated subsidiary claims into one account. The Fund also did not have long outstanding claims from previous years.

Levy payers are continuing to utilise the Fund to advance skills of their employees. For the year under review, 114 new companies submitted reimbursement claims for the first time.

About 35,673 employees from Levy Payers, Special Groups, Emergent Industries and Small Medium and Micro Enterprises (SMMEs) have benefited from the Fund through acquiring personal development skills and Apprenticeship Programmes. There was a 19 percent increase as compared to the previous period. A total of P189, 337,097.00 was expended on workplace learning during the financial year under review.

HUMAN RESOURCE DEVELOPMENT FUND (HRDF) IMPACT STUDY

Since inception of the Fund, the emphasis was on capacitating employers particularly the Levy payers on training their employees and submitting claims

for reimbursement from the Fund. For that reason, the impact of the training interventions has not been measured in the past. A research team has been constituted internally to conduct an Impact study and develop a tool to measure the impact at both individual and organisational levels.

The study is intended to determine more broadly whether the HRDF had achieved and continues to achieve the desired effects on employees for which it was established and whether those effects were related to the training intervention. This impact assessment is critical as it will provide baseline information needed to identify weaknesses and strengths of the HRDF and to make recommendations for possible pathways of enhancing the impact of the HRDF. The results of the study will be shared in due course.

RISK MANAGEMENT

Risk Management is critical to the Fund operations as such the department recognises the importance of risk management. A Risk Management Plan has been developed.

Additionally, a risk log is maintained to record potential risks that may impact on the Fund. It is recognised that fraud remains the most significant risk facing the Fund.

OPERATIONAL REPORTS

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

Fraud activities intercepted during the year are tabulated in the Table Two below:

FINANCIAL YEARS	LIKELIHOOD	IMPACT	NO OF CASES	MITIGATION
Fraudulent accreditation documents	High	High	3	Only the recent Botswana Qualifications Authority (BQA) approved list of Education Training Providers (ETPs) used to verify.
Fake proof of payments	Medium	High	2	Suspected cases forwarded to Serious Crime Unit for investigation.
Ghost employees	High	Impact	1	Sampling method used to call Learners for confirmation.

Table Three: HRDF Fraud Risk Log

CHALLENGES FACING THE FUND

1. Low uptake of the Fund by non-levy payers. There are various reasons cited that are associated with the low uptake with the main one noted as cash-flow problems. As the current model is dependent on the unutilised year-end balance, non-levy payers are required to wait for a year before submitting claims for reimbursement and this negatively impact on their already limited cash flow.
2. Exorbitant pricing of programmes by training providers.
3. Non-compliance with the accreditation regulations as reported by BQA.
4. Risk of fraud.



PICTURE: Auto-Machenic Training in session

OPERATIONAL REPORTS

3.5 DATA MANAGEMENT, RESEARCH AND INNOVATION

ACHIEVEMENTS

THE LABOUR MARKET INFORMATION SYSTEM (LMIS)

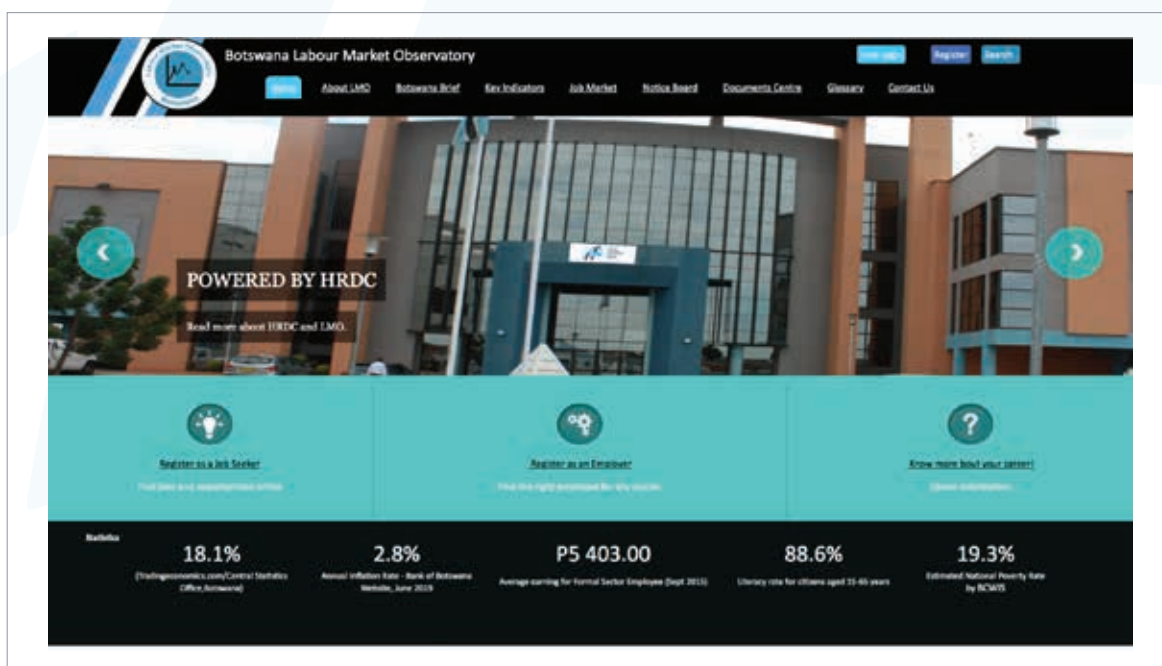
The Human Resource Development Council (HRDC) has been tasked with the establishment of the Labour Market Information System (LMIS) as well as the management of the Education Database as articulated in the HRDC Act No 17 of 2013.

The development of the LMIS seeks to address the lack of quality labour market information and data used for effective planning and policy advice. The LMIS will not only enable policy-makers and planners in Botswana to analyse and predict labour market needs and respond appropriately, but it will inform potential investors on available skills as well as inform decisions on career choices among others. It is crucial for employers, potential workers, businesses, investors and policy makers to have access to timely, accurate and relevant information on the labour market, if the country is

to remain competitive and adapt to the emerging changes. The LMIS provides intelligence on the labour market landscape by analysing emerging challenges that affect the labour market such as changing demographics, new technologies, new industries, new skills in demand, changing work trends.

During the year under review, the Human Resource Development Council engaged a local consultancy firm to develop a statement of user requirements (SOUR) for the development of LMIS. The SOUR report is expected by the end of August 2019. Extensive engagements with stakeholders was undertaken to sensitise them on the Labour Market Observatory (LMO) and the benefits of LMIS. It is anticipated that the development of the LMIS will be completed by March 2021. Meanwhile, initiatives are underway to build sufficient capacity and skills to undertake labour market information analysis as the LMIS will require new skills sets such as data science, data management, data analytics and other IT related skills.

THE LABOUR MARKET OBSERVATORY (LMO)



The LMO Portal – www.botswanalmo.org.bw

OPERATIONAL REPORTS

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

HRDC RESEARCH AND INNOVATION GRANT PROJECT

The HRDC embarked on the Research and Innovation Grant Project initiative that served to increase the tertiary education sector's capacity and capability to undertake research, and furthermore, to promote the utilisation of research findings with a view to inform policy and practice.

THE HRDC RESEARCH & INNOVATION GRANT PROJECT

The second edition of the 2016/17 HRDC Research & Innovation Grant Project was launched under the theme "Promoting the Uptake and Utilisation of Research Outputs for Industrial Development". Thirteen (13) projects were funded to the tune of BWP 50,000.00 per project proposal. They are all product-based, and were expected to undergo different phases of the research and innovation value chain; from conceptualisation to technological and commercial readiness.

Phase One of the Grant Project was completed and projects were showcased to stakeholders through a Research & Innovation Open Day hosted by HRDC in August 2018. The projects went through different phases of innovative maturity. Grantees were urged to register with Botswana Innovation Hub to be eligible to apply for Botswana Innovation Fund. Only three

Grantees eventually applied for the Fund and are still awaiting outcome. One Grantee has applied for funding elsewhere.

CAPACITY BUILDING

The Council has embarked on capacity building to enhance research undertaking. In August 2018, a training of trainers' programme was run on "Pathways to Technology Commercialisation" facilitated by Southern African Research Innovation Management Association (SARIMA), represented by Dr Simon Thanyani, Contracts & Innovation Support Manager, University of Pretoria and Dr Janine Chantson, Director, Technology Transfer Office, University of the Western Cape, South Africa. The second leg of the training was conducted in March 2019 where trainees were taken through the trainer manual. Institutional-based cluster workshops are planned to be held for Tertiary Education Institutes in the southern and northern regions in September 2019.

STATISTICS: ANNUAL INSTITUTIONAL CENSUS – 2017/18

The Human Resource Development Council (HRDC) conducts the Tertiary Education Institutional census on an annual basis to facilitate policy advice and decision making through the input of tertiary education indicators. The Tertiary Education Statistics report



PICTURE: Research and Innovation Open Day held in Gaborone

OPERATIONAL REPORTS

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

contains statistics and indicators derived from 47 Higher Education Institutions (Francistown College of Education was closed hence the drop from 48 to 47) and 38 Brigades registered by Botswana Qualifications Authority (BQA) in the 2017/18 financial year. Key highlights of the report indicates a growth in tertiary education enrolments from 46 613 students in 2012 to the current 53 450 students in 2018 which translates into a growth of 14.7 percent over the six (6) years. Despite this growth, the majority of the student's population are enrolled in undergraduates' programmes, i.e. level six and seven of the NCQF. This current situation is likely to impact negatively on

promoting research and innovation towards building a knowledgeable society.

Figure 10 below depicts an analysis of enrolment trends at tertiary institutions between 2009 and 2018. It shows that for the past decade, majority of the students were enrolled in social sciences compared to other fields. Moreover, female dominance was observed across most fields of study except for Agriculture, Science and Engineering, Manufacturing & Construction. This implies that there is need to advocate for female participation in STEM subjects to develop the digital and cognitive skills required by the economies globally.

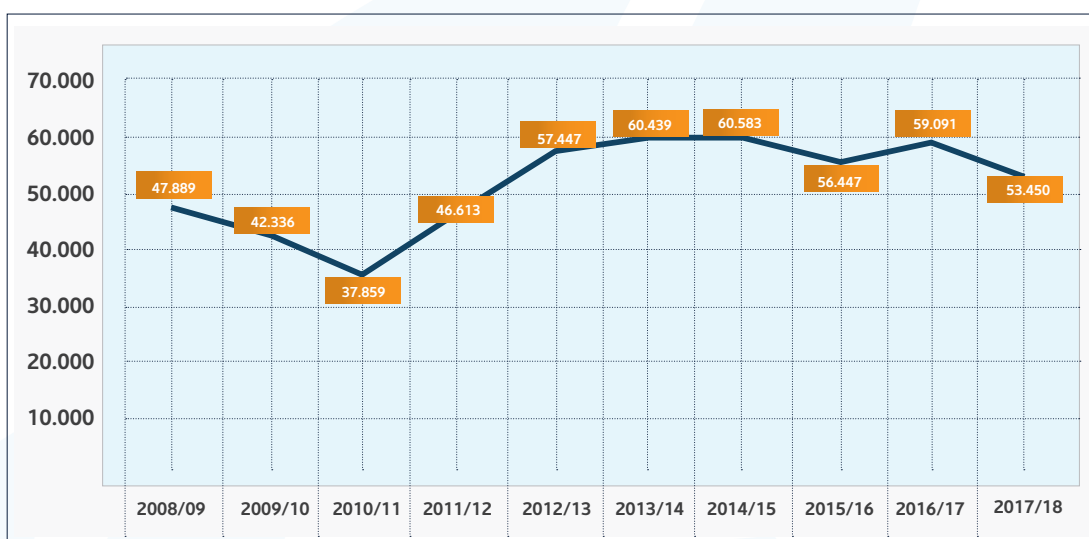


Figure 10: Tertiary Education Enrolments – 2008/9 – 2017/18

QUALIFICATION LEVEL	FEMALE	MALE	TOTAL	% FEMALE
Certificate	2,354	1,609	3,963	56.9
Diploma	8,018	4,954	12,972	61.8
Bachelors	17,973	13,387	31,360	57.3
Post Graduate Diplomas	373	202	575	64.9
Masters	1,229	935	2,164	56.8
Master pf Philosophy	44	55	99	44.4
Doctor of Philosophy	75	118	193	38.9
Professional Qualifications	1,349	732	2,081	64.8
Non Purpose Degree	18	25	43	41.9
GRAND TOTAL	31,433	22,017	53,450	56.8

Table four: Student Enrolment by Type of Qualification and Gender-2017/18

OPERATIONAL REPORTS

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

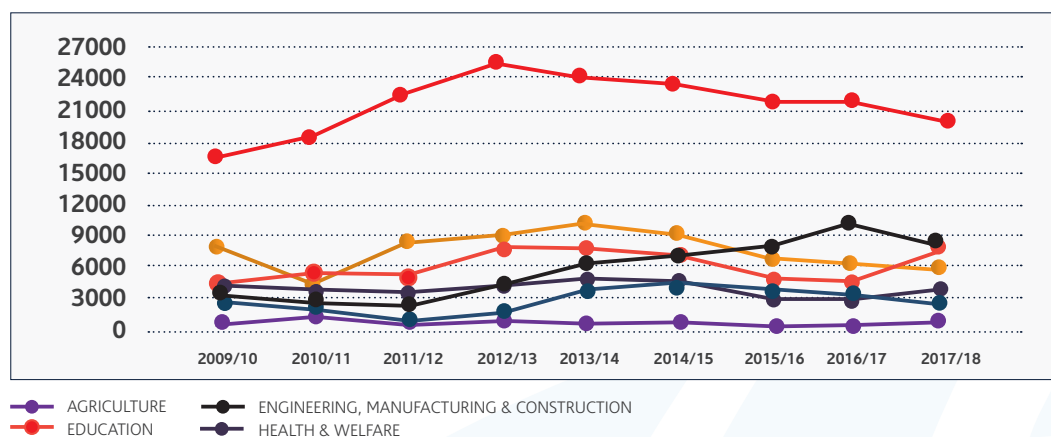


Figure 11: Enrolments and Trends in Higher Education by Fields of Education 2009-2017

1. Include Certificate, Advanced Certificates and National Craft Certificate (NCC)
2. Diploma programmes are diploma, Advanced Diploma, Post Basic Diploma and Associate Degree
3. Exchange programmes for international students with University of Botswana

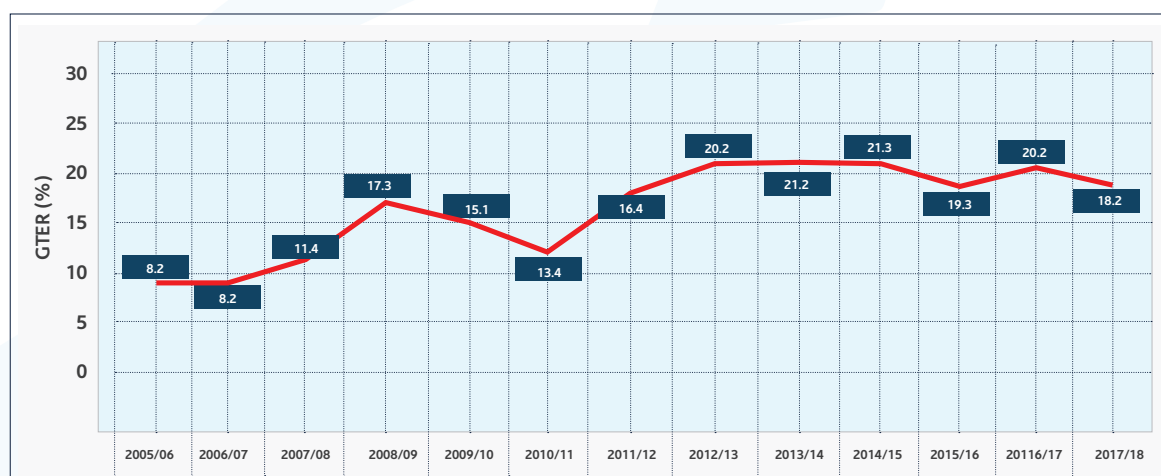


Figure 12: Gross Tertiary Enrolment Ratio (%) – 2005/6 –2017/18

Figure 12 shows the Gross Tertiary Enrolment Ratio which is at 18.2 percent. It has declined from 20.2 percent in 2016/17 to 18.2 percent in 2017/18. This decrease of two percent is teamed with the decline in the country's ranking of pillar number 6 of the global ranking from 88 out of 138 countries in 2017 to 92 out of the current 140 countries. The decline therefore signifies a negative effect in the general level of skills of the workforce and the quantity and quality of education in the country. Figure 11 shows the GTER comparisons with other developing countries.

Recommendations from the Tertiary Education Statistics Report:

1. Extra effort should be made by both institutions and

the government to accelerate female participation in the STEM areas.

2. Stronger linkages and collaborations need to be forged between vocational-technical colleges and universities in the areas of curriculum development and implementation. This will assist in improving science output at lower levels.
3. Universities and colleges should consider creating opportunities for potential science students to improve on their grades so that they proceed in science related programmes.
4. Government and private sector should set up a fund to introduce a Graduate Scholarship Fund to accelerate graduate enrolments and build national research capacity.

OPERATIONAL REPORTS

3.6 STAKEHOLDER RELATIONS AND MARKETING COMMUNICATIONS REPORT

ACHIEVEMENTS

STAKEHOLDER ENGAGEMENT

The Human Resource Development Council (HRDC) engagements with Stakeholders in 2018/19 primarily focused on driving stakeholder collaboration and support including strengthening relationships with various stakeholders. The Stakeholder Relations and Marketing Communications Unit in collaboration with core departments continued to engage with stakeholders on issues of human capital development.

DEVELOPMENT OF THE NEW HRDC BRAND

During the financial 2017/18 HRDC engaged Brand Development Consultancy services to develop the new HRDC Brand. The new brand was submitted to the Company and Intellectual Property Authority (CIPA) for registration and brand originality clearance. The new HRDC brand was officially launched by the Minister of Tertiary Education Research Science and Technology (MoTE) Honourable Thapelo Olopeng on the 26th March 2019. The implementation of the new brand will be carried out in the next financial year.

FAIRS AND EXHIBITIONS

The Unit further undertook the promotion of the National Human Resource Development Strategy (NHRDS) as well as the promotion of HRDC mandate at various Fairs and Exhibitions across the country. The Fairs and Exhibitions that the Council participated in are; Hospitality and Tourism Association of Botswana (HATAB) Annual Conference in Maun, Business Botswana Northern Trade Fair (BBNTF), Ghanzi Agricultural Show, Gaborone Agricultural Show, Botswana Consumer Fair and the Global Expo.

USE OF SOCIAL MEDIA

In leveraging on digital marketing, HRDC continued to utilise social media platforms mainly Facebook and Twitter accounts to reach the youth and other

Stakeholders in a bid to create awareness and educate them about the mandate of HRDC.

The Council's Facebook Page has proved to be an effective and interactive platform for valued stakeholders. Due to the large numbers of followers on the Facebook page it has necessitated HRDC to officially use the platform to engage with our Stakeholders. Currently the HRDC Facebook page likes stand at 40 448. Our Facebook page is [Botswana Human Resource Development Council](#).

HRDC WEBSITE

The Unit continued to manage the HRDC website by updating its content and refreshing the look and feel after the launch of the new brand. As a window into the Organization's operations, the website continued to avail up-to-date information on the Council's activities to Stakeholders locally and internationally. The website address is www.hrdc.org.bw

PUBLICATIONS

HRDC continued to drive internal and external communication through the use of quarterly HRDC Insight Newsletters that focused on educating and informing both internal and external stakeholders on the various activities of the Council. HRDC also published the Corporate Profile, the Annual Report 2017/18, reprint of the National Human Resource Development Strategy (NHRDS) booklet and the Botswana Human Resource Development Skills (BHRDS) Fair and Career Clinics catalogue.

MEDIA RELATIONS

In a quest to reach out to the farthest parts of the country, HRDC continued to build profitable and good 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.

OPERATIONAL REPORTS

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

BUSINESS BREAKFAST SEMINARS AND OPEN DAYS

In a bid to drive community dialogues, HRDC took the services to the people across the country through the Business Breakfast Seminars and Open days which were held in selected areas. Departments took turns in presenting the mandate and functions of the Council. This was then followed by question and answer sessions. HRDC coordinated the two events in Letlhakane and Francistown. Invited Stakeholders included the Leadership of the selected area, Business Community/ Levy Payers and Education and Training Providers. The Open Day was an open invitation to residents of the area and vicinity.

STAKEHOLDER SATISFACTION (CUSTOMER SERVICE)

In a quest to ensure customer satisfaction and improvement in customer delivery processes, HRDC continued to get feedback from stakeholders during all stakeholder engagement forums. Stakeholder feedback forms, feedback logbook and suggestion box were utilised to source feedback from stakeholders. Average satisfaction rate was 87.5 percent against a target of 90 percent. One-on-One Stakeholder follow-ups were embarked on as a way of improving stakeholders satisfaction.



PICTURE: The Vice President of The Republic of South Africa, Mr David Mabuza and The former South African Minister of Home Affairs, Mr Melusi Gigaba interacting with HRDC Botswana Staff during the HRDC South Africa Summit in May 2018.

OPERATIONAL REPORTS

3.7 CORPORATE SOCIAL RESPONSIBILITY REPORT

Established during the 2017/18 financial year, the Human Resource Development Council (HRDC) Corporate Social Responsibility (CSR) programme identified projects in the thematic areas of Education and Training, Health, Environment and Sustainability, Sports, Natural Disasters and Community involvement. HRDC CSR guidelines are motivated by the following;

1. Mandate of HRDC
2. Vision 2036 and
3. National Governmental Strategies e.g.

Poverty Eradication Programmes

In line with CSR Three Year Annual Plan, the Committee recommended the following projects for implementation during the financial year under review;

PROJECT NAME	BRIEF DESCRIPTION OF PROJECT	VALUE
1. HRDC CSR Fundraising Gala Dinner	HRDC organised its inaugural Corporate Social Responsibility (CSR) Fundraising Gala Dinner that was held on the 19th October 2018. The purpose of the Dinner was to raise funds for the construction of a house for a needy family. The benefiting family has been identified with the Ministry of Local Government and Rural Development. The house will be constructed during the 2019/20 Financial year in Mmankodi.	The funds raised during the dinner amount to P491 800.00



PICTURE: HRDC CSR Fundraising Gala Dinner.

OPERATIONAL REPORTS

3.7 CORPORATE SOCIAL RESPONSIBILITY REPORT (CONT...)

PROJECT NAME	BRIEF DESCRIPTION OF PROJECT	VALUE
2. Malatswae Adopt- A - School Project	HRDC entered into a Memorandum of Understanding (MoU) with Ministry of Basic Education (MOBE) on behalf of 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 termly basis. HRDC has also sponsored the School's Prize Giving and Early Childhood Development Programme and Graduation Ceremonies. HRDC Staff has a compassionate spirit and this has led them to contribute from their personal capacity for items such as; clothing, stationery, toiletry and financial contributions towards the Malatswae Primary School and Community. HRDC Staff also assisted with preparing food and other logistics during Graduation ceremonies and bereavements at the Malatswae Community.	P105,000.00 (P35 000.00 per term for an academic year)



PICTURE: HRDC Adopt - A - School Initiative: Malatswae Primary School Stationery handing-over

OPERATIONAL REPORTS

3.8 INFORMATION, COMMUNICATION AND TECHNOLOGY REPORT

The Department of Information Communication Technology (ICT) mandate covers the entire HRDC's ICT spectrum and ensures confidentiality, integrity and availability of electronic data assets for HRDC. Furthermore, the department covers ICT infrastructure planning, implementing and operating of ICT related interventions aimed at improving service delivery. It continually assesses the organisations operations to identify areas to leverage ICT.

ACHIEVEMENTS

ICT STRATEGY DEVELOPMENT

The ICT Strategy was developed and approved by the HRDC Board. This has been a good milestone, as it ensures that ICT related services in the organisation are implemented in alignment to the Corporate Strategy and long term vision of the organisation.

INTERNET BANDWIDTH

HRDC procured internet bandwidth since the previous contract elapsed. This was a good development, as it resulted in the organisation benefiting as it

acquired bandwidth at a reduced cost emanating from continued drop in prices.

SYSTEMS AUDIT

The department continued to audit its systems to ensure their continued relevance and reliability. Enhancements continued to be implemented as needed, dependent on the availability of funds.

CHALLENGES

- Availability of funds continue to be a challenge, resulting in a slower implementation of important ICT projects.
- No vacant ICT positions were filled during the financial year, as finances did not allow.
- There is need to continue the training of ICT and non - ICT personnel in order to improve productivity and optimal utilisation of resources. Training carried out so far has yielded positive results.



OPERATIONAL REPORTS

3.9 QUALITY MANAGEMENT SYSTEMS REPORT

Quality Management System (QMS) documents finalisation is still ongoing as it is a key element in QMS. Good QMS documentation is key in assisting Management to implement an effective QMS as that will ensure that stakeholders receive timely and consistent services.



OPERATIONAL REPORTS

3.10 HUMAN RESOURCE MANAGEMENT REPORT

In an effort to realise the implementation of the HRDC Strategic Plan and uphold the High Performance Culture, 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



PICTURE: Staff Members during HRDC's Corporate Values Launch.

HRDC had an approved staff complement of 151 positions. As at 31st March 2019, the Council's staff complement stood at 112 against an establishment of 151. This comprised 70 females and 42 males all employed on Permanent Fixed Term Contract of 60 months (five years). During the reporting year, HRDC recorded staffing growth of 2.7 percent being an increase from 109 to 112 employees. Recruitment included appointments on promotion and arrival of new staff into HRDC at different managerial, professional levels and administrative levels. HRDC has been able to retain staff by 100 percent with no separations.

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

TRAINING, DEVELOPMENT & CAPACITY BUILDING

HRDC has been striving to inculcate a High Performance Culture in the workplace and be a Centre of Excellence. In this regard, the Council continued to develop staff as it is an integral part of the organisational strategy. During the reporting period, staff continued with their programmes of study as follows;

PROGRAMME OF STUDY	NUMBER OF STAFF
PhD	3
Masters	9
Degree	2

Table five: Staff training programmes.

OPERATIONAL REPORTS

3.10 HUMAN RESOURCE MANAGEMENT REPORT (CONT...)

Staff also continued to pursue membership of professional programmes such as Chartered Institute of Management Accounting (CIMA), Association of Chartered Certified Accountants (ACCA), Associations of Accounting Technicians (AAT) and Chartered Institute of Procurement and Supply (CIPS). Furthermore, HRDC is committed to reviewing training needs and ensuring that they are aligned to the mandate. HRDC believes that employees are the best assets an organisation can have, therefore, critical to retain talent in order to execute its complex mandate. HRDC interacts with the industry and other myriad stakeholders in the higher education sector, thereby necessitating HRDC to continuously train its employees.

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 self - development programmes and the organisation assists them by granting study loans and exam leave to facilitate easy learning.

During 2018/19 employees were trained as individuals and teams on the following:

CAPACITY BUILDING

Group courses carried out were Management Development Programme (MDP), ISO Refresher, Corporate Social Responsibility Training, Cluster Development, Work Ethics, Conflict Management, Customer Service for Contact Centre Officers, Information Communication and Technology (ICT) Certification Courses etc.

LONG AND SHORT TERM TRAINING

Long term training includes Master of Business Administration (MBA), Postgraduate Diploma in Monitoring and Evaluation (M&E), Masters in Strategic Management (MSc), Comprehensive Statistics, Certification of Risk Management Assurance, Certified Fraud Examiner (CFE) Exam Review, Research Methods, Monitoring & Evaluation Implementation, Sectoral Approaches to Skills Development, Organisational Development, Micro Economic Modelling for labour Market Analysis

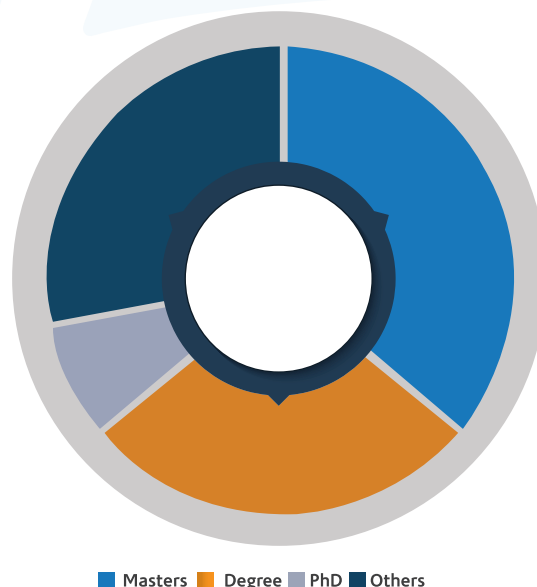
Enrolment for long term training

Figure 13: Enrolment for long term training

OPERATIONAL REPORTS

3.10 HUMAN RESOURCE MANAGEMENT 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 and a series of wellness events spread throughout the year. HRDC has held annual wellness events such as Wellness Day, First AID training, Commemoration of World AIDS day, Teambuilding day, teambuilding trips and participation in annual charity walks and marathons.



PICTURE: HRDC Staff Members Team Building.



PICTURE: Mr Oaitse Ganelang - HRDC Staff Member participating at Comrades Marathon in South Africa.



PICTURE: HRDC Corporate Values Launch.



PICTURE: Staff Members during HRDC Christmas Party 2018.



PICTURE: Staff Team Building Competitions.

OPERATIONAL REPORTS

3.11 CORPORATE BUDGET AND EXPENDITURES REPORT

The HRDC recurrent expenditure continued to grow at a moderate pace of 8 percent (6 percent, 2017/18). This increase was funded from reserves and deferred income.

The approved budget for the financial year was **P118.34 Million** funded by a Government Grant of **P49.92 Million** (**P39.98 Million** Recurrent and **P9.94 Million** CAPEX), **P1.63 Million** Differed CAPEX, a **10 percent Admin Fee** from Human Resource Development at **P30.65 Million**, **P12.36 Million** from other sources and the balance of **P23.77 Million** from reserves. The recurrent expenditure constituted **90 percent** of the budget while **10 percent** was for CAPEX.

The actual expenditure for the year under review was **P100.44 Million**. Personnel emoluments' and related costs were **P62.47 Million** representing an increase of **10 percent**. The increase was due to a staff salary cost of leaving adjustment and performance awards. The second biggest cost line was Consultancy at **P4.95 Million**, registering a significant decrease of **31 percent** on account of an improved internal skill base

as the HRDC gradually exits the establishment phase. The funds were expended in completing the development of the National Development Plan amongst others. The third biggest expenditure was the Botswana Human Resource Development Skills and Career Fair (BHRDS) at **P4.93 Million**, representing an **increase of 11 percent** due the introduction the North West (Maun) Fair. This was positively matched by a **29 percent increase** in Fair Income. Travel and Accommodation followed at **P3.66 Million** representing an **increase of 11 percent**. This cost is ancillary to stakeholder consultations and is reflective of the concerted effort HRDC continues to make to reach out to its stakeholders country wide.

Staff training and capacity building at **P3.39 Million** registered an **increase of 15 percent** to continue to strengthen the internal capacity and reduce reliance on external expertise which typically comes at a high cost and tends to take long on account of the procurement phase. A good number of the cost lines recorded significant decrease on account of efforts to contain costs to respond to the constrained funding environment.

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FIGURES AND FIGURES

FIGURES

Figure One: Organisational organogram

Figure Two: 2018/19 Quarterly Organisational Performance trends

Figure Three: Institutions capacitated on SAS Norms and Standards by type

Figure Four: Overall attendance by highest education level attained for 2019 in comparison to 2018

Figure Five: Student Representative Councils (SRC's) that attended the Student Leadership Training workshop by type of institution

Figure Six: Number of Tertiary Education Institutions (TEIs) who submitted Institutional plans by status

Figure Seven: Capacitated Institutions by type

Figure Eight: Attendance of Capacitation workshops by town/village

Figure Nine: Workplace visited in 2018/19

Figure 10: Tertiary Education Enrolments 2008/9 – 2017/18

Figure 11: Enrolments and Trends in higher education by Fields of Education 2009-2017

Figure 12: Gross Tertiary enrolment ratio (%) 2005/06-2017/18

Figure 13: Enrolment for long term training

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Table Two: Analysis of claims processed during the Financial year 2018/19

Table Three: HRDF Fraud Risk Log

Table Four: Student Enrolment by Type of Qualification and Gender-2017/18

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ABBREVIATIONS

AAT	Association of Accounting	MoTE	Ministry of Tertiary Education Research Science and Technology
ACCA	Association of Chartered Certified Accounts	MSc	Masters in Strategic Management
BBNFF	Business Botswana Northern Trade Fair	M & E	Morning and Evaluation
BHF	Botswana Innovation Fund	NHRDP	National Human Resource Development Plan
BHRDS	Botswana Human Recourse Development Skills Fair and Career Clinics	NHRDS	National Human Resource Development Strategy
BQA	Botswana Qualifications Authority	PTEIF	Public Tertiary Education Institutions Fund
BURS	Botswana Unified Revenue Services	QMS	Quality Management System
CAPA	Creative Arts and Performing Arts	SARIMA	Southern Africa Research Innovation Management Association
CFE	Certified Fraud Examiner	SAS	Student Affairs Services
CIMA	Chartered Institute of Management Accounting	SMMEs	Small Medium and Micro Enterprises
CIPA	Chartered Institute of Procurement and Supply	SOUR	Statement of User Requirements
CSA	Current Situation Analysis	TEI'S	Tertiary Education Institutions
CSR	Corporate Social Responsibility	TESSF	Tertiary Education Student Support Fund
ETPs	Education and Training Providers	TOTs	Training of Trainers
HATAB	Hospitality and Tourism Association of Botswana	UB	University of Botswana
HEIs	Higher Education Institutions	UGD	Unemployed Graduate Database
HRD	Human Resource Development	WSTPs	Work Skills Training Plans
HRDC	Human Resource Development Council		
HRDF	Human Resource Development Fund		
ICT	Information Communication Technology		
IFRS	International Financial Reporting Standards		
LMIS	Labour Market Information System		
LMO	Labour Market Observatory		
MBA	Masters of Business Administration		
MDP	Management Development Programme		
MELPSD	Ministry of Employment Labour Productivity and Skills Development		
MMEWR	Mining Minerals Energy and Water Resources		
MOBE	Ministry of Basic Education		



ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

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ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

COUNCIL INFORMATION

Domicile, legal form and principal business activity:

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

Registered address:

Plot 60113, Block 7,
Ext 48, Gaborone West, Botswana.



Members of the Board:

Ms. Moggie F Mbaakanyi - Chairperson

Mr. Moatswi Sekonopo
Ms. Tebogo Bagopi
Ms. Helen Chedza Chilisa
Ms. Seilaneng Godisang
Mr. Kavis Kario
Ms. Ruth Mphathi
Mr. Kelapile Ndobano
Ms. Kebosweditse Ntebela
Mr. Lesego Harold Pule
Ms. Goitseone Naledi Mosalakatane
Mr. Nixon M Marumoloo
Dr. Grace Goitsemodimo Kgakge-Tabengwa
Dr. Thapelo Matsheka
Dr. Raphael Dingalo - Chief Executive Officer

Postal address:

Private Bag BR 108
Gaborone

Auditors:

PricewaterhouseCoopers
Gaborone



Bankers:

Barclays Bank of Botswana
Stanbic Bank Botswana
Bank Gaborone
BancABC



Lawyers:

Bogopa, Manewe, Tobedza & CO

STATEMENT OF RESPONSIBILITY BY BOARD MEMBERS

for the year ended 31 March 2019

The Members of the Board of Human Resource Development Council ("the Members", "the Members of the Board") are responsible for the annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Human Resource Development Council Act of 2013.

The Human Resource Development Council ("the Council") maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of Council's assets. The Members are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the Members to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The Members have no reason to believe that the Council will not be a going concern in the foreseeable future, based on the continuous support by the Government of Botswana through the Ministry of Tertiary Education, Research, Science and Technology.

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

The financial statements set out on pages 74 to 110 and supplementary information on Annexure 1 were approved by the Members of the Board and are signed on its behalf by:



Board Member



Board Member

INDEPENDENT AUDITORS 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 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

Human Resource Development Council's financial statements set out on pages 74 to 110 comprise:

- the statement of financial position as at 31 March 2019;
- 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;
- 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 International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

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, S K K Wijesena

INDEPENDENT AUDITORS REPORT



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

Key audit matter	How our audit addressed the 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 the government on an annual basis. Subventions are utilised to finance the operating activities of the Council. The capital grant amounting to P40,759,980 relates to the grant received from the government for capital expenditure to be 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:	Our audit procedures performed in respect of subventions, capital grants and unutilised grants received from the government included inter alia, the following: • We obtained an understanding of the subventions and grants received, by inspecting minutes of board meetings and correspondence with the government. • 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 communication 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 subventions 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 2018/19 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;

INDEPENDENT AUDITORS REPORT



• The magnitude and significance of the subventions received and capital grants liability to the financial statements; and • The accounting treatment for revenue and the recognition of capital grants and unutilised grants in the statement of comprehensive income required management's judgement.	○ 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 Delegation of Authority limits for the approvals. No differences were noted; and ○ To test the recognition of capital grants in 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 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. 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 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.
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INDEPENDENT AUDITORS REPORT



Other information

The Members of the Board (“the Members”) are responsible for the other information. The other information comprises the information included in the document titled “*Human Resource Development Council Annual Financial Statements for the year ended 31 March 2019*”, which we obtained prior to the date of this auditor’s report and the other sections of the document titled “*Human Resource Development Council Annual report 2018/19*”, 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.

Responsibilities of the Members for the financial statements

The 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 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, the 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 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.

INDEPENDENT AUDITORS REPORT



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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- Conclude on the appropriateness of the Members' 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Members, 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.

INDEPENDENT AUDITORS REPORT



Report on other legal and regulatory requirements

In accordance with Section 23 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 kept;
- the Council has complied with all financial provisions of the Human Resource Development Council Act, 2013; and
- The financial statements prepared by the Council were prepared on the basis consistent with that of the preceding year except for the adoption of new and revised International Financial Reporting Standards as stated under note 2.1.1 to the financial statements and represents a true and fair view of the transactions and financial affairs of the Council.

A handwritten signature in black ink, appearing to read 'Kosala Wijesena'.

Individual practicing member: Kosala Wijesena
Registration number: 20000110

Gaborone
26 September 2019

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

	Note	2019 P	2018 P
Revenue	5	74,736,159	81,046,000
Other income	6	9,402,392	14,051,331
Administrative expenses	7	(100,444,833)	(93,322,600)
Operating (deficit) / surplus		(16,306,282)	1,774,731
Finance Income	9	2,296,240	347,033
(Deficit) / surplus for the year		(14,010,042)	2,121,764
Other comprehensive income		-	-
Total comprehensive (expenses) / income for the year		(14,010,042)	2,121,764

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2019 P	2018 P
ASSETS			
Non-current assets			
Property, plant and equipment	10	39,814,868	43,572,023
Intangible assets	11	945,112	282,695
		40,759,980	43,854,718
Current assets			
Trade and other receivables	12	15,586,541	18,846,164
Cash and cash equivalents	13	52,055,170	48,127,986
		67,641,711	66,974,150
Total assets		108,401,691	110,828,869
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus		19,800,381	33,877,070
		19,800,381	33,877,070
Non-current liabilities			
Capital grants and Revaluations	14	40,759,980	43,854,718
Current liabilities			
Trade and other payables	15	47,841,330	33,097,081
Total liabilities		88,601,310	76,951,799
Total funds and liabilities		108,401,691	110,828,869

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2019

	Accumulated Fund P	Total P
Balance as at 1 April 2017	31,755,306	31,755,306
Total comprehensive income for the year	2,121,764	2,121,764
Balance as at 31 March 2018	<u>33,877,070</u>	<u>33,877,070</u>
Balance as at 1 April 2018	33,877,070	33,877,070
Changes in accounting policy (IFRS 9 day 1 adoption adjustment)	(66,647)	(66,647)
Restated total Fund as at 1 April 2018	33,810,423	33,810,423
Total comprehensive expenses for the year	(14,010,042)	(14,010,042)
Balance as at 31 March 2019	<u>19,800,381</u>	<u>19,800,381</u>

STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

	Note	2019 P	2018 P
Cash generated from operations			
Operating (deficit) / surplus		(16,306,282)	1,774,730
Adjustments for:			
Depreciation	10	2,875,651	2,649,941
Amortisation of intangible assets	11	305,290	141,122
Profit on disposal of plant and equipment	6	(249,695)	(40,000)
Foreign exchange gain / (loss)		755,079	(812,060)
Amortisation of deferred income	14	(3,180,941)	(2,791,063)
		(15,800,898)	922,670
Changes in working capital			
(Decrease) / Increase in trade and other receivables		3,192,977	(5,535,164)
Increase in trade and other payables and provision for restructuring		14,744,249	1,267,093
Net cash generated / (used) from operating activities		2,136,328	(3,345,401)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,351,522)	(4,793,553)
Purchase of intangible assets	11	(967,707)	-
Proceeds from disposal of plant and equipment		249,695	40,000
Interest income received	9	1,541,161	1,159,093
Net cash used in investing activities		(528,373)	(3,594,460)
Cash flows from financing activities			
Capital grant received during the year	14	2,319,229	4,793,554
Net cash generated from financing activities		2,319,229	4,793,554
Net change in cash and cash equivalents		3,927,184	(2,146,307)
Cash and cash equivalents at beginning of year		48,127,986	50,274,293
Cash and cash equivalents at end of year	13	52,055,170	48,127,986

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. General information

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

The financial statements set out on pages 74 to 110 have been approved by the Members of the Board of Human Resource Development Council on the 24th September 2019.

2. Summary of significant accounting policies

The financial statement have been prepared in accordance with the International Financial Reporting Standard.

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

In the current year, the Council has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on or after 1 April 2018. Adoption of these standards and interpretations have not had any impact significant on the financial statements of the Council.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

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

- **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. The Council adopted IFRS 15 on a retrospective basis effective April 1, 2018 and this standard did not have any impact on Council's financial statements (effective Annual periods beginning on or after 1 January 2018)
- **IFRS 9** – Financial Instruments (2009 & 2010) - 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. The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. There's no impact from adoption of this amendment as Council does not have hedging arrangements.
- The Council adopted IFRS 9 on a retrospective basis effective April 1, 2018. The Council has adopted IFRS 9 as issued by the IASB in July 2014 with a transition date of 1 April 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Council did not early adopt any of IFRS 9 in previous periods.
- As permitted by the transitional provisions of the standard, the Council elected not to restate comparative figures. The comparative period notes disclosures repeat those of disclosures made in the prior period. Any adjustments to the carrying amounts of financial assets at the date of transition were recognised in the opening Accumulated Surplus account. The Council does not hedge its financial risks and therefore hedge accounting is not relevant. The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and impairment of financial assets. (effective annual periods beginning on or after 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 2019

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

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 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'.

The Council will evaluate the effect of all the new standards, amendments and interpretations that are in issue for adoption in the applicable periods.

- Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material. These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs:
 - use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting;
 - clarify the explanation of the definition of material; and
 - incorporate some of the guidance in IAS 1 about immaterial information (Effective 1 January 2020).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

(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:

- Amendments to IAS 28, 'Investments in associates and joint ventures' – long-term interests in associates and joint ventures. The amendments clarified that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9 (Effective 1 January 2019).
- Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement - These amendments require an entity to:
 - Use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
 - Recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus (recognised or unrecognised). This reflects the substance of the transaction, because a surplus that has been used to settle an obligation or provide additional benefits is recovered. The impact on the asset ceiling is recognised in other comprehensive income, and it is not reclassified to profit or loss. The impact of the amendments is to confirm that these effects are not offset (Effective 1 January 2019).
- Amendments to IFRS 2 – 'Share-based payments' - Clarifying how to account for certain types of share-based payment transactions. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority (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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

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

This change must be supported by evidence (Effective 1 January 2018).

- 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.
- Amendment to IFRS 3, 'Business combinations' - This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. More acquisitions are likely to be accounted for as asset acquisitions. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce (Effective 1 January 2020).

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

- 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 non-financial 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)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

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

2.2.2 Transactions and balances

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

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

2.3 Property, plant and equipment

a) Measurement

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

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

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
- Leasehold land and Buildings	Over the life of the lease
- Buildings- Porta Cabins	20 years

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 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 and Liabilities

2.5.1 Classification and Measurement methods

Classification

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.5 Financial Assets and Liabilities (continued)

2.5.1 Classification and Measurement methods (continued)

Amortised cost and effective interest rate

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

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

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

Initial recognition and measurement

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

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

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

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.5 Financial Assets and Liabilities (continued)

2.5.2 Financial assets

Classification and subsequent measurement

From 1 April 2018, the Council has applied IFRS 9 and classifies its financial assets as amortised cost. The classification requirements for debt measured at amortised cost are described below:

Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

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

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

Business model: the business model reflects how the Council manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Council in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Council as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.5 Financial Assets and Liabilities (continued)

2.5.2 Financial assets (continued)

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

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.5 Financial Assets and Liabilities (continued)

2.5.3 Financial liabilities

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

Derecognition of financial liabilities

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

2.6 Trade receivables

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

Trade receivables are recognised initially at 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.

2.7 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.8 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.

2.9 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.

2.10 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.

2.11 Revenue recognition

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

2.11.1 Nature of services & timing of revenue recognition

The Council provides Human Resource Development Fund administration services and conducts the BHRDS Fair and Career Clinics. The administration fee is earned from the administration of the Human Resource Development Fund. This is a Fund where the training levy is collected into from the companies that are eligible. Money that is transferred into this fund is collected on a quarterly basis from the Botswana Unified

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.11 Revenue recognition (continued)

2.11.1 Nature of services & timing of revenue recognition

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. The Council also generates revenue by selling stands at the BHRDS Fair to exhibitors.

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

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2.12 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 and the Council has complied with conditions attached to them.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.12 Government grants (continued)

2.12.1 Human Resource Development Fund (HRDF) Administration fee

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

2.12.2 Interest income

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

2.13 Taxation

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

2.14 Changes in accounting policies

2.14.1 Adoption of IFRS 9 Financial Instruments

The Council has adopted IFRS 9 as issued by the IASB in July 2014 with a transition date of 1 April 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Council did not early adopt any of IFRS 9 in previous periods.

As permitted by the transitional provisions of the standard, the Council elected not to restate comparative figures. The comparative period notes disclosures repeat those of disclosures made in the prior period. Any adjustments to the carrying amounts of financial assets at the date of transition were recognised in the opening Accumulated Surplus account. The Council does not hedge its financial risks and therefore hedge accounting is not relevant. The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and impairment of financial assets. Set out below are disclosures relating to the impact of adoption of IFRS 9 on the Council.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.14 Changes in accounting policies (continued)

2.14.1 Adoption of IFRS 9 Financial Instruments (continued)

a) Classification and measurement of financial instruments

There were no changes to the classification and measurement of financial liabilities. The measurement category and the carrying amount of financial assets in accordance with IAS 39 and IFRS 9 at 1 April 2018 are compared as follows:

Financial Assets	IAS 39		IFRS 9	
	Measurement Category	Carrying Amount	Measurement Category	Carrying Amount
Cash & cash equivalent	Amortised cost (Loan and receivables)	48,127,986	Amortised cost	48,127,986
Trade Receivables	Amortised cost (Loan and receivables)	584,729	Amortised cost	518,082
TOTAL		48,712,715		48,646,068

b) Reconciliation of impairment allowance balance from IAS 39 to IFRS 9

The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with the IFRS 9 expected loss model at 1 April 2018:

Impairment loss	Amounts
At 1 April 2018 – calculated under IAS 39	377,381
Amounts restated through opening retained surplus – Transitional IFRS 9 Adjustment	66,647
Opening loss allowance as at 1 April 2018 – calculated under IFRS 9	444,028

c) Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Council performed an analysis of its business models for managing financial assets and analysis of their cash flow characteristics. The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9 on 1 April 2018:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.14 Changes in accounting policies (continued)

2.14.1 Adoption of IFRS 9 Financial Instruments (continued)

Financial Asset	Ref	IAS 39 carrying Amount 31 March 2018	Reclassifications	Remeasurements	IFRS 9 carrying Amount 1 April 2018
Cash & cash equivalent Opening balance under IAS 39 and closing balance under IFRS 9	A	48,127,986	-	-	48,127,986
Trade Receivables Opening balance under IAS 39 Remeasurement: Expected Credit Loss (ECL) Closing balance under IFRS 9	B	584,729		(66,647)	518,082
TOTAL		48,712,715	-	(66,647)	48,646,068

The following explains how applying the new classification and measurement requirements of IFRS 9 led to changes in classification and measurement of certain financial assets held by the Council as shown in the table above:

Area and Potential Impact of IFRS 9: <i>Financial Instruments – Recognition & Measurement</i> [Classification & Measurement impact explained as at 1 April 2018 date of initial application]	Reference
Cash & cash equivalent: This financial asset class is classified as loans & receivables and measured at amortised cost under IAS 39. Under IFRS 9, these assets continue to be measured at amortised cost because they satisfy the solely payments of principal and interest (SPPI) and business model tests for classification as amortised cost. Cash & cash equivalent are subject to impairment under both IAS 39 and IFRS 9. As at 31 March 2018, the impairment provision under IAS 39 was nil as there was no objective evidence of impairment. The Council has elected to apply the simplified approach for impairment of cash & cash equivalent because the lifespan of these assets is less than 12 months. The Council has adopted the provision matrix contained in implementation guidance to IFRS 9 as its impairment methodology. Historical default rates on deposits held in banks is nil. The review of relevant forward looking macro-economic factors does not suggest possible defaults on bank deposits and consequently no provision has been raised on adoption of IFRS 9 and at the year end.	A

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.14 Changes in accounting policies (continued)

2.14.1 Adoption of IFRS 9 Financial Instruments (continued)

Trade receivables: For purposes of measuring the expected credit loss (ECL), trade receivables comprise of amounts owing from related parties which are either some parastatals or government departments. The Council does not extend credit facilities to private sector entities. The impairment allowance has increased by P 66,647 on 1 April 2018 as a result of adopting IFRS 9. The small transitional increase in impairment reflects a very low probability of default for debt that is not yet in the 90 days past due bucket based on historical credit risk information. In the short-term, we do not expect the macro-economic factors such as the GDP to affect expected default rates and consequently all default rates applied in the calculation of expected credit losses are based historical credit risk information.

B

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.

	% Change	Cash and cash equivalents	Effect on surplus/deficit
2019		P	P
Increase in exchange rate	1%	2,554,829	25,548
Decrease in exchange rate	-1%	(2,554,829)	(25,548)
2018			
Increase in exchange rate	1%	7,051,959	70,519
Decrease in exchange rate	-1%	(7,051,959)	(70,519)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 2019, 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 332,118 (2018: P 343, 429) lower/higher, mainly as a result of higher / lower interest income on floating rate deposits.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council. As at 31 March 2019, the Council's maximum exposure to credit risk which will cause a financial loss due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

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

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

The Council applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all short-term receivables. To measure the expected credit losses, short-term receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance as at 31 March 2019 is determined as follows.

i) Trade Receivables: Expected Credit loss Default Rates (%)

Date	Current	1 – 30 Past due	31 - 60 Past due	61 - 90 Past due	Over 90 Past due
1 April 2018	0.62%	1.80%	15.71%	94.27%	100%
31 March 2019	1.24%	4.42%	12.90%	94.71%	100%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

3 Financial risk management (continued)

(b) Credit risk (continued)

ii) Trade Receivables: Gross Carrying Amount (Pula)

Date	Current	1 – 30 Past due	31 – 60 Past due	61 – 90 Past due	Over 90 Past due	Total
31 March 2018	135,806	390,127	-	-	436,177	962,110
1 April 2018	135,806	390,127	-	-	436,177	962,110
31 March 2019	149,380	992,350	13,000	-	629,096	1,783,826

iii) Trade Receivables: Impairment loss / Expected Credit Losses (Pula)

Date	Current	1 – 30 Past due	61 – 90 Past due	91 – 180 Past due	Over 180 Past due	Total
31 March 2018						377,381
1 April 2018	840	7,011	-	-	436,177	444,028
31 March 2019	1,849	43,829	1,677	-	629,096	676,451

(iv) Trade Receivables: Net Carrying Amount (Pula)

Date	Current	1 – 30 Past due	61 – 90 Past due	91 – 180 Past due	Over 180 Past due	Total
31 March 2018	135,806	390,127	-	-	436,177	584,729
1 April 2018	134,966	383,116	-	-	-	518,082
31 March 2019	147,531	948,521	11,323	-	-	1,107,375

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

Description	2019	2018
Trade Receivables	1,783,826	962,110
Receivables from HRDF	13,570,350	17,246,654
Other Receivables	632,785	666,276
Less: Impairment provision	(676,451)	(377,381)
Net trade and other receivables	15,310,511	18,497,658
Cash and Cash Equivalent:	52,054,151	48,124,439
Stanbic Bank Botswana Limited	33,516	33,804
Barclays Bank of Botswana	14,929,213	9,081,077
BancABC	23,504,318	27,688,832
Bank Gaborone	13,587,104	11,320,727
Total maximum amount exposed to credit risk	67,364,662	66,622,097

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

3 Financial risk management (continued)

(b) Credit risk (continued)

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

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).

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).

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

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

Reconciliation of Impairment Loss Allowance

Description	2019	2018
	P	P
Opening balance calculated under IAS 39	377,381	288,064
Amounts restated through opening retained earnings – Transitional IFRS 9 Adjustment	66,647	-
Opening impairment allowance as at 1 April 2018 – calculated under IFRS 9	444,028	-
Increase in receivable loss allowance recognised in profit or loss during the period	232,423	89,317
Receivables written off during the year as uncollectible	-	-
Closing balance at 31 March 2019	676,451	377,381

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

3 Financial risk management (continued)

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.

	Less than 1 year P
At 31 March 2019	
Trade and other payables	47,038,910
At 31 March 2018	
Trade and other payables	33,097,081

3.2 Capital risk management

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

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

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 2019

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

Impairment loss (IAS 39)

Up to 2018 reporting period, the Council reviewed 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 made 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 used the 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.

Expected Credit Loss Allowance (ECL) (IFRS 9)

In 2019 reporting period, the Council adopted IFRS 9 Financial Instruments ("IFRS 9") to measure the ECL for the first time. The Council applies the simplified approach and recognises lifetime ECL for trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

4 Critical accounting estimates And judgements (Continued)

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

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

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

d) Treatment of grant received from Government

Taking into account its nature and substance, the Council considers amounts that it receives from the Government to fall within the scope of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. In reaching this conclusion, the Council considers the terms attached to each of the grants received and the current practice adopted by other parastatals in Botswana. Accordingly, the Council recognises the amounts received in accordance with the accounting policy as included in note 2.12.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

5	Revenue	2019 P	2018 P
	Government subventions	41,420,372	49,925,380
	HRDF administration fees	33,315,787	31,120,620
		74,736,159	81,046,000
6	Other income	2019 P	2018 P
	Amortisation of Capital grant (Note 14)	3,180,941	2,791,063
	BHRDS Fair and Career Clinic	3,290,856	2,555,604
	Reimbursement of sector plan costs	2,587,832	8,613,988
	Sale of tender documents and sundry income	93,068	50,676
	Profit on disposal of assets	249,695	40,000
		9,402,392	14,051,331
7	Expenses by nature	2019 P	2018 P
	The following items have been charged in arriving at operating surplus before finance income:		
	Advertising	1,940,177	1,741,202
	Amortisation of intangible assets	305,290	141,122
	Auditors' remuneration	320,144	281,617
	Board members' sitting allowances	1,838,019	2,086,794
	Consultancy	4,952,206	7,184,948
	Depreciation	2,875,651	2,649,941
	Electricity and water	662,099	493,281
	Insurance	836,160	749,659
	Other administration expenses	3,387,730	2,872,818
	Printing and stationery	1,251,601	1,113,329
	Repairs and maintenance	2,538,220	1,725,707
	Sector committee initiatives	542,909	859,526
	Staff costs (Note 8)	62,465,800	56,609,797
	Stakeholder meetings and Conferences	2,320,491	2,354,245
	Subscriptions	2,236,629	1,785,078
	BHRDS Fair and Career Clinics	4,924,701	4,423,958
	Training and capacity building	3,389,001	2,953,209
	Travelling and accommodation	3,658,005	3,296,368
		100,444,833	93,322,600

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

8	Staff costs	2019	2018
		P	P
	Salaries and wages	49,297,892	44,629,374
	Medical and gratuity expenses	13,167,908	11,980,423
		<u>62,465,800</u>	<u>56,609,797</u>
	Average number of employees	112	114
9	Net finance income	2019	2018
		P	P
	Finance income		
	Interest income	1,541,161	1,159,093
	Foreign exchange gain / (loss)	755,079	(812,060)
		<u>2,296,240</u>	<u>347,033</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

10 Property, plant and equipment

	Leasehold Land and buildings	Buildings- Porta Cabins	Motor vehicles	Computer equipment	Gym equipment	Furniture and office fittings	Total
	P	P	P	P	P	P	P
As at 31 March 2017							
Cost	40,956,745	2,646,210	2,458,157	3,406,728	349,041	7,554,585	57,371,466
Accumulated depreciation	(5,600,851)	(444,880)	(1,594,389)	(2,604,770)	(220,257)	(5,440,708)	(15,905,855)
Net book amount	<u>35,355,894</u>	<u>2,201,330</u>	<u>863,768</u>	<u>801,958</u>	<u>128,784</u>	<u>2,113,877</u>	<u>41,465,611</u>
Year ended 31 March 2018							
Net book amount at beginning of year	35,355,894	2,201,330	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	(819,797)	(132,311)	(318,279)	(502,044)	(48,000)	(829,511)	(2,649,941)
Net book amount at end of year	<u>34,536,097</u>	<u>2,069,019</u>	<u>2,407,973</u>	<u>2,361,166</u>	<u>80,784</u>	<u>2,116,983</u>	<u>43,572,023</u>
As at 31 March 2018							
Cost	40,956,745	2,646,210	3,985,840	5,467,980	349,041	8,225,091	61,630,907
Accumulated depreciation	(6,420,648)	(577,191)	(1,577,867)	(3,106,814)	(268,257)	(6,108,108)	(18,058,885)
Net book amount	<u>34,536,097</u>	<u>2,069,019</u>	<u>2,407,973</u>	<u>2,361,166</u>	<u>80,784</u>	<u>2,116,983</u>	<u>43,572,023</u>
Year ended 31 March 2019							
Net book amount at beginning of year	34,536,097	2,069,019	2,407,973	2,361,166	80,784	2,116,983	43,572,023
Additions	-	-	492,937	462,051	24,976	371,558	1,351,522
Cost on disposal	-	(2,341,410)	(940,682)	(437,914)	-	(788,354)	(4,508,360)
Depreciation on disposal	-	499,721	597,804	425,461	-	752,349	2,275,335
Depreciation	(819,797)	(15,240)	(399,336)	(779,545)	(49,494)	(812,239)	(2,875,651)
Net book amount at end of year	<u>33,716,300</u>	<u>212,090</u>	<u>2,158,696</u>	<u>2,031,219</u>	<u>56,266</u>	<u>1,640,297</u>	<u>39,814,868</u>
As at 31 March 2019							
Cost	40,956,745	304,800	3,538,095	5,492,117	374,017	7,808,295	58,474,069
Accumulated depreciation	(7,240,445)	(92,710)	(1,379,399)	(3,460,898)	(317,751)	(6,167,998)	(18,659,201)
Net book amount	<u>33,716,300</u>	<u>212,090</u>	<u>2,158,696</u>	<u>2,031,219</u>	<u>56,266</u>	<u>1,640,297</u>	<u>39,814,868</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

11	Intangible assets	2019 P	2018 P
	As at 31 March 2018		
	Cost	1,255,122	1,255,122
	Accumulated amortisation	(972,428)	(831,304)
	Net book amount	282,695	423,818
	Year ended 31 March 2019		
	Net book amount at beginning of year	282,695	423,818
	Additions	967,707	-
	Amortisation charge	(305,290)	(141,122)
	Net book amount at end of year	945,112	282,695
	As at 31 March 2019		
	Cost	2,222,829	1,255,122
	Accumulated amortisation	(1,277,717)	(972,428)
	Net book amount	945,112	282,695

Intangible assets consist of computer software.

12	Trade and other receivables	2019 P	2018 P
	Trade receivables	1,783,826	962,110
	Less: Loss allowance / provision for impairment	(676,451)	(377,381)
		1,107,375	584,729
	Receivable from HRDF (Note 18)	13,570,350	17,246,654
	Prepayment and deposit	276,030	348,506
	Other receivables	632,785	666,276
		14,479,165	18,261,435
		15,586,541	18,846,164

Reconciliation of loss allowance

The following table shows the movement in the loss allowance (expected credit losses) for trade and other receivables

Opening balance in accordance with IAS 39	377,381	288,064
Amounts restated through opening retained earnings – Transitional IFRS 9 Adjustment	66,647	-
Opening impairment allowance as at 1 April 2018 – calculated under IFRS 9	444,028	-
Increase in receivable loss allowance recognised in profit or loss during the period	232,423	89,317
Receivables written off during the year as uncollectible	-	-
Balance at the end of the year	676,451	377,381

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

13	Cash and cash equivalents	2019 P	2018 P
	Cash on hand	1,019	3,547
	Cash at bank	18,131,428	15,623,642
	Short-term deposits	33,922,723	32,500,797
		52,055,170	48,127,986

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

	2019 P	2018 P
Bank balances	52,054,151	48,124,439
Cash on hand	1,019	3,547
	52,055,170	48,127,986

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:

	2019 P	2018 P
US Dollar (2019 : 237,088 / 2018: 738,340)	2,554,829	7,051,959

14	Capital grants	2019 P	2018 P
	Balance at beginning of year	43,854,718	41,889,429
	Grant received/utilised during the year	2,319,229	4,793,553
	Disposal of Assets	(2,233,025)	(37,200)
	Amortisation during the year (Note 6)	(3,180,941)	(2,791,063)
	Balance at end of year	40,759,980	43,854,718

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

15	Trade and other payables	2019 P	2018 P
	Trade and other payables	5,807,243	7,333,110
	Sundry creditors	1,121,056	400,872
	Staff accruals (Note 15.1)	28,330,739	18,462,474
	Unutilised grants (Note 15.2)	12,582,292	6,391,955
	Accrual for restructuring (Note 15.3)	-	508,670
		47,841,330	33,097,081

15.1 Staff accruals

Movement in staff accruals is as follows:

	Gratuity P	Leave pay P	Total P
Balance at beginning of year	15,930,823	2,531,651	18,462,474
Additional accrual during the year	11,484,888	2,439,914	13,924,802
Paid during the year	(2,462,021)	(1,594,516)	(4,056,537)
Balance at end of year	24,953,690	3,377,049	28,330,739

15.2	Unutilised grants	2019 P	2018 P
	HRDC Capital Grant	9,770,594	3,580,257
	HRDC Research Grant	1,311,698	1,311,698
	Recurrent Grant - Sector Committees	1,500,000	1,500,000
		12,582,292	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 2019

15 Trade and other payables (continued)

15.2.1 Unutilised grants

	HRDC Capital Grant P	HRDC Research Grant P	Recurrent Grant-Sector Committees P	Total P
Balance at beginning of year	3,580,257	1,311,698	1,500,000	6,391,955
Grant received during the year	8,509,566	-	-	8,509,566
Utilised during the year	(2,319,229)	-	-	(2,319,229)
Balance at end of year	9,770,594	1,311,698	1,500,000	12,582,292

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.

15.3 Provision for restructuring

	2019 P	2018 P
Opening balance	508,670	508,670
Utilised during the year	(508,670)	-
Balance at end of year	-	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

	2019 P	2018 P
Commitments for consultancies and projects contracted but not incurred		
Exceq Services - Botswana Labour Market Information system	1,332,072	-
CIDE - Development of the National Plan	-	2,626,736

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

17 Analysis of financial instruments

Financial instruments by category

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

	Fair value through profit or loss	Fair value through OCI	Amortised cost	Non - financial instruments	Total carrying amount
	P	P	P	P	P
As at 31 March 2019					
Financial assets					
Trade and other receivables	-	-	15,310,511	276,030	15,586,541
Cash and cash equivalent	-	-	52,055,170	-	52,055,170
	-	-	67,365,681	276,030	67,641,711
Financial liabilities					
Trade and other payables	-	-	47,841,330	-	47,841,330
	-	-	47,841,330	-	47,841,330

	At Fair value	Loans and receivables	Other financial liabilities	Non - financial instruments	Total carrying amount
	P	P	P	P	P
As at 31 March 2018					
Financial assets					
Trade and other receivables	-	18,497,658	-	348,506	18,846,164
Cash and cash equivalent	-	48,127,986	-	-	48,127,986
	-	66,625,644	-	348,506	66,974,150
Financial liabilities					
Trade and other payables	-	-	33,097,081	-	33,097,081
	-	-	33,097,081	-	33,097,081

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

18 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 co-ordination of and promotion of the implementation of the national Human Resource Development Strategy.

Related party transaction and balances

(a) The council carried out the following transactions with its related parties during the financial year ended 31 March 2019:

Name of Related party	Nature of transactions	2019 P	2018 P
Ministry of Tertiary Education Research Science and Technology	Government Subvention	41,420,372	49,925,380
Human Resource Development Fund	Administration fees	33,315,787	31,120,620
Human Resource Development Fund	Reimbursement of sector plan costs	2,587,832	8,613,987

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;

	2019 P	2018 P
Key management - salaries and short term benefits	8,843,214	9,005,253
Key management - gratuity and leave pay	2,142,303	2,138,703
Management - total	10,985,517	11,143,956
Payments made to board members	450,867	394,131
	<u>11,436,384</u>	<u>11,538,087</u>

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

	2019 P	2018 P
Human Resource Development Fund-Administration fees	9,609,307	7,374,551
Human Resource Development Fund-Reimbursable Grant	3,961,043	9,872,103
	<u>13,570,350</u>	<u>17,246,654</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

19 Contingent liabilities

Staff Loan Guarantees

The Human Resource Development Council has guaranteed the obligations of its employees under a motor vehicle and housing loan guarantee scheme operated through Botswana Savings Bank and Barclays Bank Botswana Limited. The maximum amount guaranteed at 31 March 2019 was P 17,044,418 (2018: P 16,437,261) (Barclays Bank of Botswana P 9,418,194 (2018:P 9,724,561) and Botswana Savings Bank P 7,626,224 (2018:P6,712,701)). 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. As for personal loans the loan amount should not exceed the gratuity amount to be earned by the employee during his/her contract period.

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

20 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.

DETAILED EXPENDITURE STATEMENT**Annexure 1****1 Administrative expenses**

	2019 P	2018 P
Advertising	1,940,177	1,741,202
Amortisation of intangible assets (Note 11)	305,290	141,122
Audit fees	320,144	281,617
Bank charges	118,125	97,480
Board expenses	682,346	301,322
Consultancy	4,952,206	7,184,948
Depreciation	2,875,651	2,649,941
Development office expenses	490,001	738,102
Electricity and water	662,099	493,281
Impairment charge / (reversal) on receivables	232,423	379,792
Insurance	836,160	749,659
Legal fees	124,893	52,399
Library	15,612	30,783
Printing and stationery	1,251,601	1,113,329
Recruitment cost	70,282	91,193
Repairs and maintenance	2,538,220	1,725,707
Research and development	229,500	85,702
Salaries and wages	62,465,800	56,609,797
Sector committee initiatives	542,909	859,526
Security services	406,968	360,267
Sitting allowance	450,867	394,131
Sitting allowance-sector committee	1,387,152	1,692,663
Staff welfare	649,417	540,162
Stakeholder meetings and conferences	2,320,491	2,354,245
Subscription	2,236,629	1,785,078
Telephone and postage	211,720	95,254
BHRDS Fair and Career Clinics	4,924,701	4,423,958
Training and capacity building	3,389,001	2,953,209
Travel and accommodation	3,658,005	3,296,368
Vehicle expenses	156,443	100,363
	100,444,833	93,322,600

This detailed expenditure statement does not form part of the financial statements covered by the audit opinion on pages 3 to 8.

NOTES for the year ended 31 March 2019

NOTES for the year ended 31 March 2019



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