

HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL

2016/17 ANNUAL REPORT





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INTRODUCTION

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INTRODUCTION



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 Work-Place Learning.



Chairperson of the HRDC Board

Mr Batho C. Molomo



Chief Executive Officer (CEO)

Dr Raphael Dingalo



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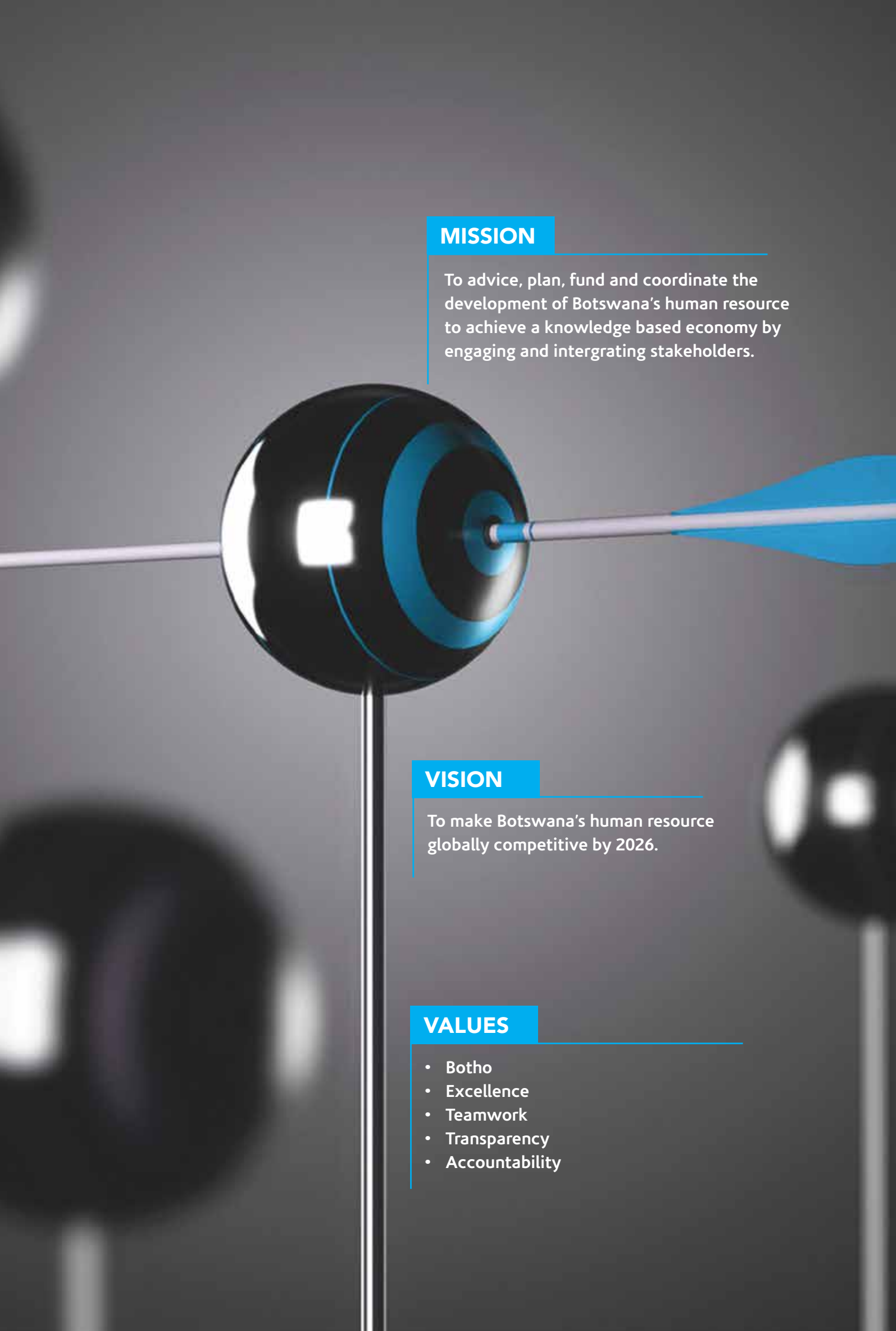
www.hrdc.org.bw



Botswana Human Resource Development Council



@BotswanaHRDC



MISSION

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

VISION

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

VALUES

- Botho
- Excellence
- Teamwork
- Transparency
- Accountability

INTRODUCTION

1.1 Corporate Profile

The Human Resource Development Council (HRDC) was established under the Human Resource Development Council Act No. 17 of 2013 which became effective on the 8th November 2013. Acting as Government’s advisor on human resource development, HRDC provides a platform for the Public Sector, Private Sector and Civil Society to act in concert to drive the National Human Resource Development Strategy (NHRDS). Specifically, the Council coordinates efforts by all parties to guide Botswana’s education and skills development mechanism. Additionally, HRDC assesses its impact on national priorities, identifies barriers to effective delivery of the NHRDS and mutually agrees on targeted solutions that should be implemented in the short, medium and long term in alignment with the strategic intent (as pronounced in the NHRDS). The implementation of the above targeted solutions is driven by a set of clear initiatives that are coordinated, promoted and overseen by HRDC in partnership with relevant stakeholders.

The establishment of the HRDC 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.



Excellence

INTRODUCTION

1.2 HRDC’s Functional Structure

During the year under review, HRDC continued to implement the new organisational structure by filling new positions. This phase saw the organisation growing from **92 to 109** staff members. Figure One shows the new functional structure.

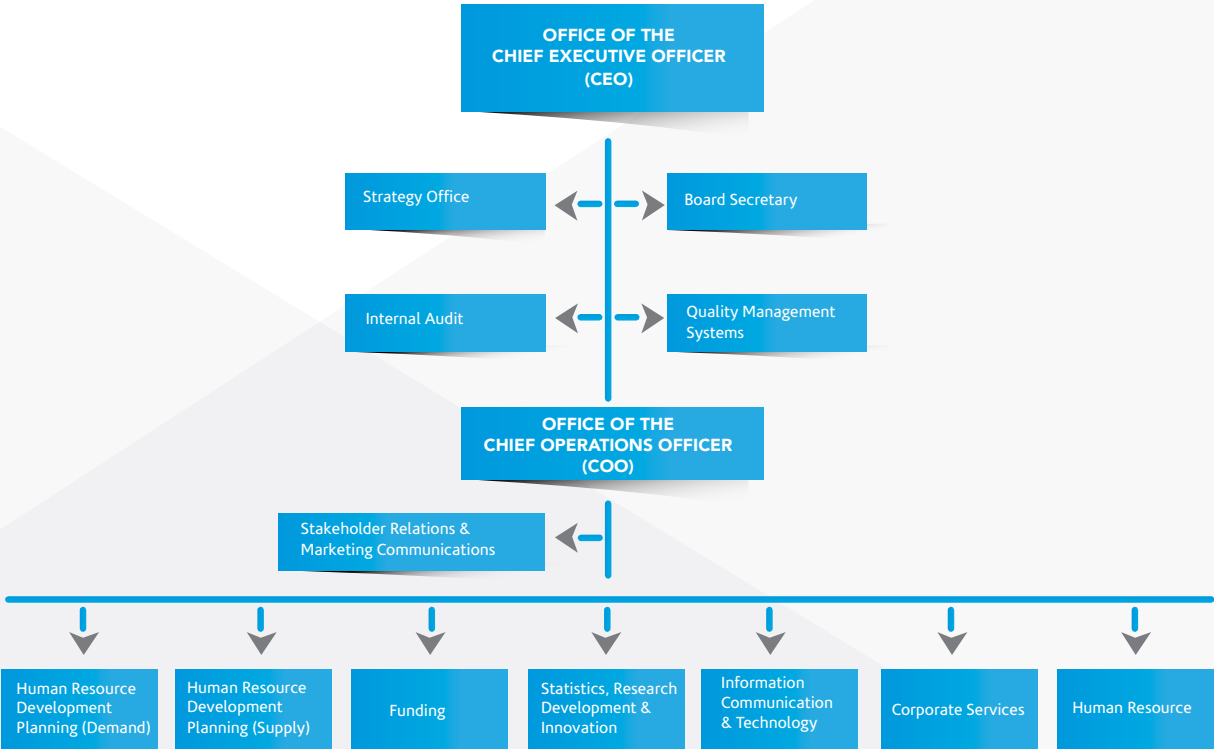


Figure One: HRDC Functional Structure



HRDC
Human Resources Development Canada

**BOARD MEETING
AGENDA**

HRDC

HRDC

HRDC

HRDC

HRDC

GOVERNANCE

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CORPORATE GOVERNANCE

BOARD CHAIRPERSON'S STATEMENT



On behalf of the Board of the Human Resource Development Council (HRDC), I am pleased to present the HRDC Annual Report for the Financial Year 2016/17. This Report gives a brief synopsis of the operations, achievements, challenges and milestones of HRDC in pursuit of the Council's mandate.

Our focus this year was to devise strategies to enhance our performance in the delivery of the mandate and ensure we catapult the Country's human capital development. In the same vein, we relentlessly engaged with various stakeholders in ensuring heightened awareness of the mandate.

During the period under review, the Board decided to prioritise the development of the National Human Resource Development Plan. This Plan is expected to drive the capacity of HRDC in analysing skills supply and demand. It will furthermore assist Botswana to get returns on its investment in education and training by strengthening the country's diagnostic capacity at all levels in the national skills systems.

I am pleased to report that despite the challenges, HRDC was able to successfully firm up on its advisory role, planning activities from Work – Places to Institutional Planning capacity building, funded projects and reimbursed Levy - Payers and

coordinated the development of Botswana's human resource. These initiatives were delivered in pursuit of the organisation's mandate which seeks to achieve a globally competitive knowledge based economy.

The staff members of HRDC are paramount in the organisation discharging its mandate and meeting the set objectives. For this, it will be remiss of me not to commend them for their diligence and hard work. I wish to also thank my Board for their contribution, acumen and expertise in providing strategic direction.

I wish to furthermore acknowledge the Government, our Ministry, being the Ministry of Tertiary Education, Research, Science and Technology (MoTE) and all key and relevant stakeholders for their support and mutual partnerships in pursuit of our mandate.

Mr Batho C. Molomo

Board Chairperson
HUMAN RESOURCE DEVELOPMENT
COUNCIL (HRDC)

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

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.

HRDC BOARD

The Board Members

The HRDC is governed by a Board consisting of 13 members that were appointed by the then Minister of Education and Skills Development as per the HRDC Act in June 2015 to serve for a period of three (3) years.

Selection of the Board Members is based on balanced expertise and experience in various disciplines ensuring that different professionals can blend together and give strategic direction to the Council.

The Board meets on a quarterly basis to consider projects, various strategic and policy issues and make decisions. However, it is worth noting that in the 2016/17 Financial Year, the Board met more regularly to consider urgent issues related to the on-going key projects through special Board meetings. All together, the Board met 10 times during 2016/17 Financial Year.



HRDC Board in session

CORPORATE GOVERNANCE

BOARD MEMBERS (Cont...)



Mr Batho C. Molomo
Chairperson

Mr Batho C. Molomo is an Economist and a Statistician with a Bachelor of Arts Double-Major and Master of Science (MSc) in Statistics. He joined the public service in 1978 and retired from the civil service in 2004 as the National Coordinator at the AIDS Coordinating Agency (NACA). He became the founding Executive Secretary of the 'Champions for an HIV-Free Generation' in 2004 until 2013. Cumulatively, Mr Molomo has 34 years of continual service to Botswana's growth before he went into fulltime retirement.



Ms Moggie F. M. Mbaakanyi
Vice Chairperson

Ms Moggie F. M. 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 and joined the private sector in 1994 after retirement. Ms Mbaakanyi spent 15 years in politics as a Councillor, Member of Parliament and finally as Assistant Minister of Education.



Dr Thapelo Matsheka
Member

Dr Thapelo Matsheka's career spans over 27 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 in Economics from UB and (Kent & Glasgow) in the United Kingdom.



Dr Grace G. Kgakge -Tabengwa
Member

Dr Grace Goitsemodimo Kgakge - Tabengwa is the Deputy Director, National Strategy Office (NSO). She was previously the Head and Senior Research Fellow at the think-tank Botswana Institute for Development Analysis (BIDPA) where she specialised in Macroeconomics and policy analysis. She has a Bachelor of Arts (BA) Economics, Master of Science (MSc) in Economics from the University of Warwick (United Kingdom) and a PhD Economics. She has over 17 years' experience in development policy analysis.

CORPORATE GOVERNANCE

BOARD MEMBERS (Cont...)



Ms Michelle Adelman
Member

Ms Michelle Adelman is the Founder and Managing Director of Accite Holdings LLC US and (Pty) Ltd Botswana, a venture capital firm investing in impact businesses in Botswana. Ms Adelman has an Agricultural and Environmental Engineering Degree from Cornell University (USA). She has over 25 years' experience as a global Managing Director at Accenture and Group Strategy Executive for Econet Wireless Group.



Ms Kebosweditse Ntebela
Member

Ms Kebosweditse Ntebela is a Professional Nurse and Educationist. She holds a Master of Business Administration (MBA). Cumulatively, she possesses 35 years work experience in both the private sector and public service. She retired in 2014.



Ms Seilaneng Godisang
Member

Ms Seilaneng Godisang has a Law Degree from the University of Botswana (UB) and is admitted to practice as an attorney in the courts of Botswana. She possesses eight (8) years work experience in both the private practice and corporate bodies among them Collins Newman & Co and Stanbic Bank. She is currently a legal partner at Kelobang Godisang Attorneys.



Ms Ruth Maphorisa
Member

Ms Ruth Maphorisa is a Public Administration graduate with a Master's Degree specialising in Rural Development. She possesses close to 25 years work experience in the public service. Ms Maphorisa is currently the Director at the Directorate of Public Service Management (DPSM).



Mr Kelapile Ndobano
Member

Mr Kelapile Ndobano holds a Master of Arts (MA) in Economics from Columbia University, (New York, USA). He serves as Deputy Secretary for Macroeconomic Policy at the Ministry of Finance and Economic Development Planning. He has over 20 years work experience.



Mr Sebetlela Sebetlela
Member

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

CORPORATE GOVERNANCE

BOARD MEMBERS (Cont...)



Ms Helen C. Chilisa

Member

Ms Helen C. Chilisa has about 15 years work experience across sectors of the economy including aviation, hospitality and accounting. She is the Deputy Permanent Secretary at the Ministry of Basic Education. She has a Master of Science (MSc), Degree in International Marketing and an Executive Master of Business Administration in Aerospace Management from the University of Montréal. Ms Chilisa also holds a Master of Business Administration (MBA) in Aerospace Management from the Toulouse School of Business in France.



Ms Serty Leburu

Member

Ms Serty Leburu has a strong finance background having graduated with B. Commerce Degree from the University of Botswana (UB) and acquired professional accounting qualification (ACMA) and MDP. She has a cumulative 25 years work experience, 16 of which she spent at executive leadership. She is currently the Chief Executive Officer at the Botswana Accountancy College (BAC). She was previously the Botswana Housing Corporation (BHC) Deputy Chief Executive Officer (Support Services).



Mr Labane E. Mokgosi

Member

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



Ms Dorcas Phirie

Alternate Member

Ms Dorcas Phirie is the Chief Education Officer in the Department of Tertiary Education under the Ministry of Tertiary Education, Research, Science and Technology (MoTE). Ms Phirie, a Master's Degree holder from Leeds University in the UK has been in the education sector since 1985. Her previous leadership roles entail; Head

of Department and Deputy Principal Molepolole College of Education (MCE), Coordinator of In-Service Division and Teacher Capacity Building Programme on HIV and AIDS amongst others within the Ministry of Education.

CORPORATE GOVERNANCE

BOARD COMMITTEES

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

A. Funding Committee (FC)	
Purpose of Committee: To provide oversight and strategic guidance over Human Resource Development Fund (HRDF).	
Membership	
1.	Dr Thapelo Matsheka - Chairperson
2.	Ms Serty Leburu
3.	Ms Moggie F. M. Mbaakanyi
4.	Ms Ruth Maphorisa
5.	Ms Dorcas Phirie
6.	Dr Grace G. Kgakge - Tabengwa
7.	Mr Thomas M. Ntobedzi
8.	Ms Selebo A. Jobe
9.	Mr Mmetla Masire
10.	Ms Zoe Isaacs
11.	Dr Raphael Dingalo (Ex-officio)
B. Procurement Committee (PC)	
Purpose of Committee: To monitor, evaluate and make recommendations to the Board with respect to policies and strategic matters relating to procurement, upkeep and disposal of assets.	
Membership	
1	Dr Grace Kgakge - Tabengwa - Chairperson
2.	Ms Kebosweditse Ntebela
3.	Ms Michelle Adelman
4.	Mr Faried van Wyk
5.	Mr Kelapile Ndobano
6.	Dr Raphael Dingalo (Ex-officio)
C. Finance and Audit Committee (FAC)	
Purpose of Committee: To monitor, evaluate and make recommendations to the Board with respect to operational policies and strategic matters to Finance and Audit.	
Membership	
1	Ms Serty Leburu - Chairperson
2	Dr Thapelo Matsheka
3	Mr Kelapile Ndobano
4	Ms Seilaneng Godisang
5	Ms Helen C. Chilisa
6	Dr Raphael Dingalo (Ex-officio)

CORPORATE GOVERNANCE

BOARD COMMITTEES (Cont...)

D. Human Resource Committee (HRC)

Purpose of Committee:

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

Membership

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

E. Human Resource Development Planning Sector Committee (HRDPSC)

Purpose of Committee:

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

Membership

1	Ms Moggie F. M. Mbaakanyi - Chairperson
2.	Dr Grace G. Kgakge – Tabengwa
3.	Ms Dorcas Phirie
4.	Dr Raphael Dingalo (Ex-officio)
All Chairpersons of Sector Committees	
5.	Dr Howard Sigwele - Agriculture Sector
6.	Prof Nthabiseng Phaladze - Health Sector
7.	Ms Sally-Anne Follett - Smith - Tourism Sector
8.	Mr Phillip Segola - Creative Industries Sector
9.	Mr Jimmy Mathuba - Public Service Sector
10.	Ms Motlhagodi Molomo - Manufacturing Sector
11.	Mr Tshepo Tsheko - Research, Innovation, Science and Technology (RIST) Sector
12.	Mr Norman Sebonego - Information, Communication and Technology (ICT) Sector
13.	Dr Comfort Mokgothu - Transport and Logistics Sector
14.	Dr Roshen Kishun - Education and Training Sector
15.	Mr Sebetlela Sebetlela - Minerals, Mining, Water and Energy Resource (MMWER) Sector
16.	Mr Othata Batsetswe - Finance and Business Sector

CORPORATE GOVERNANCE

SECTOR HRDC 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. The list of members to the Sector HRD Committees has been attached as Appendix three (3).



Ms Sally-Anne Follet-Smith
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



Dr Roshen Kishun
Education and Training Sector



Ms Motlhagodi 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

CORPORATE GOVERNANCE

CHIEF EXECUTIVE OFFICER'S STATEMENT



It gives me great pleasure to present the Human Resource Development Council (HRDC) Annual Report for the financial year 2016/17. The report focuses on the work undertaken to fulfil the implementation of the mandate of HRDC which primarily focuses on driving Botswana's Human Capital Development Agenda.

Strategic Plan Implementation

The 2016/17 financial year marked the implementation of the first Strategic Plan for the Council which spans from 2016 – 2021. The Strategic Plan guided the Council in ensuring that all pertinent Human Resource Development (HRD) policies, strategies, programmes, projects, interventions and efforts are harmonised, streamlined, optimised and coordinated to support Botswana's social and economic priorities as outlined in the National Development Plans, Economic Growth Policies/Strategies and the Strategic Vision of the country. I am pleased to report that this Strategic Plan advocates for significant investment in Information and Technology systems. This investment started with the establishment of the Department of Information, Communication and Technology which will heighten our operational efficiency drive by automating HRDC processes in turn improving on turnaround times, the hallmark of improved service delivery.

Sector HRD Skills Plans

HRDC has adopted a Sectoral Based Approach to National Human Resource Development Planning (NHRDP) and has established twelve (12) Sector HRD Committees for this endeavour. Four (4) of the Sector Committees delivered Sector plans, that have been approved as working documents and they are: Mining, Minerals, Energy and Water Resources, Tourism, Health and Agriculture Sector Committees.

The Sector HRD Committees continue to facilitate the Government's strategies of matching the supply and demand of human resources, and are instrumental in the newly adopted strategy of developing the National Human Resource Development Plan (NHRDP) first and thereafter Sector HRD Plans. The Development of the NHRDP remained key focus for the year under review and will continue into Financial Year 2017/18.

CORPORATE GOVERNANCE

CHIEF EXECUTIVE OFFICER’S STATEMENT (Cont…)

Stakeholder Engagement and Partnerships

HRDC intensified its stakeholder engagement across the country, reaching out to numerous Work – Places and Levy Payers and other valued stakeholders. This was done in an effort to create awareness and educate them about the Human Resource Development Fund and other strategic functions of the HRDC.

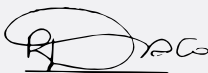
HRDC continued to uphold its partnership with the Indian Government by sending four (4) women from marginalised communities in the North - Western part of Botswana to Barefoot College in Tilonia, India. The women were trained to become Solar Energy Trainees. HRDC also partnered with OneSource Consulting to stage the Second Botswana Jobs’ Summit. HRDC found it fit to partner with OneSource Consulting once more mainly to affirm the Council’s support for Government’s number one priority of job-creation, as to showcase its commitment to have a shared social responsibility to answer to the needs of Batswana.

Botswana Human Resource Development Skills Fair and Career Clinics

HRDC successfully hosted the first Botswana Human Resource Development Skills Fair and Career Clinics in the northern part of Botswana and the eighth BHRDS and Career Clinics in Gaborone. This is part of the strategy to take services closer to the citizenry.

Appreciation

In conclusion, I would like to appreciate the contributions of the entire HRDC team for their dedication and commitment. I would like to thank HRDC Board for their unwavering support, in providing oversight and strategic guidance to the organisation. I would also wish to thank and recognise the support from our Government and our parent Ministry of Tertiary Education, Research, Science and Technology (MoTE) as well as our strategic partners, the 12 Sector HRD Committees and stakeholders for supporting the vision of HRDC in leading Botswana’s Human Capital Development Agenda.



Dr Raphael Dingalo

Chief Executive Officer

HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC)

SENIOR 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



Ms Matshepo Rapulane
Director, Human Resource



**Ms Masingoaneng B.
Ramodimoosi**
Board Secretary



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

SENIOR MANAGEMENT TEAM (Cont...)



Mr Matthews L. Phiri
Manager, Strategy Office



Ms Faith I. Tuelo
*Manager, Stakeholder Relations
and Marketing Communications*



Ms Atlasaone Motshegwe
*Manager, Quality Management
Systems*

The image shows an open book. The left page contains a table with multiple columns of numbers, some of which are highlighted in red. The right page features a diagram of a building with several gabled roofs, each labeled with a number. The text on both pages is mostly illegible due to blurring.

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OPERATIONAL REPORTS

ORGANISATIONAL PERFORMANCE

The Financial Year 2016/17 marked the first year of implementing the HRDC 2016-2021 Organisational Strategy whose Vision is, **‘To Make Botswana Human Resource Globally Competitive by 2026’**. The strategy has 13 objectives to be implemented in the five-year period. In the inaugural implementation of this strategy, the 2016/17 Annual Plan had **29** measures that were used for measuring progress in implementation of the activities planned for the year. The performance of the HRDC for the year is therefore given by the average performance of the 2016/17 measures.

At the beginning of the year, HRDC set a target to achieve at least an average of **90 percent** performance of the measures. At the end of the year, the average performance achieved stood at **84 percent**. These achievements are discussed in the following sections of this report.

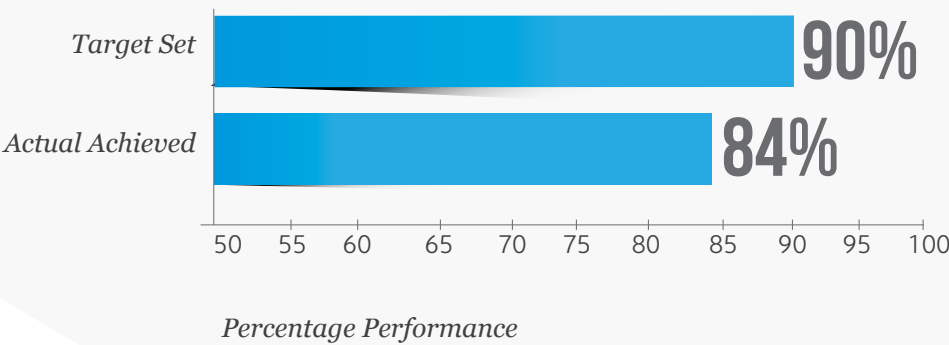


Figure Two: HRDC Annual Plan Performance 2016/17

OPERATIONAL REPORTS

DETERMINING DEMAND FOR HUMAN RESOURCE DEVELOPMENT

Achievements

Development Of Human Resource Development Plans

The Health Sector Human Resource Development (HRD) Plan was completed in November 2016 bringing the number of completed sector Human Resource Development Plans to four (4) being: Agriculture; Tourism; Health; and Mining, Minerals, Energy and Water Resources (MMEWR). Some key human resource development strategies from the four completed Sectoral HRD Plans continue to influence the teaching and learning methods as well as cultivating partnerships/relationships between the tertiary institutions and industry. A number of companies have started partnerships with some training institutions in the area of Curriculum Development, Training, Internship and Apprenticeship in order to ensure that training is aligned to the needs of the employers.

Top Occupations in Demand Report for the Botswana Labour Market

The main achievement has been the development of Top Occupations in Demand Report for 13 sectors. Currently, the Department of Tertiary Education Financing (DTEF) is using the report to inform student sponsorship decisions on programmes that subscribe to the Top Occupations in Demand for our labour market.

Mining, Minerals, Energy and Water Resources (MMEWR) Sector Committee initiative

Training of some Artisans for the MMEWR Sector continued at the two institutions namely; Botswana College of Engineering Technology (BCET) in Gaborone and Francistown College of Technology and Vocational Education (FCTVE). The Artisan programme development experienced its first output this year with 109 graduates. However, Tracer Studies will be conducted in the next financial year to measure its impact on graduate employment. Current enrolment of Artisans is illustrated in **Table One**.

	FCTVE								BCET			
	Maintenance Fitting and Machining	Industrial Electrical	Millwright	Instrumentation	Refrigeration and Air Conditioning	Plumbing and Pipe Fitting	Plumbing and Pipe Fitting		Heavy Plant	Welding	Sub Total	Sub Total
Year (Sept 2017 intake)	16	16	16	16	16	16	96	96	20	16	36	132
Year Two	15	10	14	17	15	12	83	83	22	16	38	121
Year Three	-	-	-	19	-	-	19	19				19
2017 Output (Graduates)	15	15	15	16	13	-	74	74	19	16	35	109

Table One: Artisans enrolment and output by year across the two TVET Institutions

NB: Recruitment and Selection for 2017 Intake (1st) conducted in June 2017. Lessons are expected to start in September 2017.

OPERATIONAL REPORTS

DETERMINING DEMAND FOR HUMAN RESOURCE DEVELOPMENT (Cont...)

Creative Industries Sector Committee Initiative

The Creative Industries Sector Committee conducted a training workshop for primary school teachers in the Chobe District for Creative Arts and Performing Arts (CAPA). The training focused on Home Economics, Physical Education, Visual Arts and Design, Dance and Drama having realised that primary teachers specialise in one subject and yet are expected to teach all the four main CAPA subjects. This workshop was intended to close this gap and capacitate the teachers to have insight into the other three subjects.



Teachers learning music notes during the CAPA Capacitation Workshop in Kasane.

OPERATIONAL REPORTS

COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT

Achievements

Institutional Plans

In 2016 Human Resource Development Planning (Supply) started to capacitate institutions to develop plans to enhance their efficiency. A total of twelve (12) Institutional Plans have been assessed at departmental level and are ready to be subjected to the Institutional Plans Technical Review Committee. The Review Committee which consists of Botswana Qualifications Authority (BQA) and HRDC will include a representative of the Ministry of Tertiary Education, Research, Science and Technology (MoTE) at its inaugural meeting. The Terms of Reference (ToRs) for the Technical Review Committee and the Institutional Plan Assessment Tool have been developed and are ready for immediate use. Institutional Plans draws significantly from the Sector and National Human Resource Development Plans.

Botswana Human Resource Development Skills (BHRDS) Fair And Career Clinics 2017

In the endeavor to assist learners to make informed career choices, HRDC annually host Botswana Human Resource Development Skills (BHRDS) Fair and Career clinics. The BHRDS serves as a one - stop - shop where all key stakeholders converge and dialogue with learners. The Northern and Southern BHRDS Fair and Career Clinics were held from the **27th February - 2nd March 2017** and from the **20th - 25th March 2017** in Francistown and Gaborone respectively. The Northern BHRDS Fair attracted a total of **thirty-one (31)** institutions, while the Southern BHRDS Fair recorded **forty-nine (49)**. In both the Northern and Southern BHRDS Fair and Career Clinics private institutions participated in larger numbers as compared to public institutions. A total of **3 858** attendants were recorded in Francistown while **21 457** attendants were recorded in Gaborone. Members of the different Sector Committees played a meaningful and significant role during the two events by providing Sector related career guidance to prospective learners.

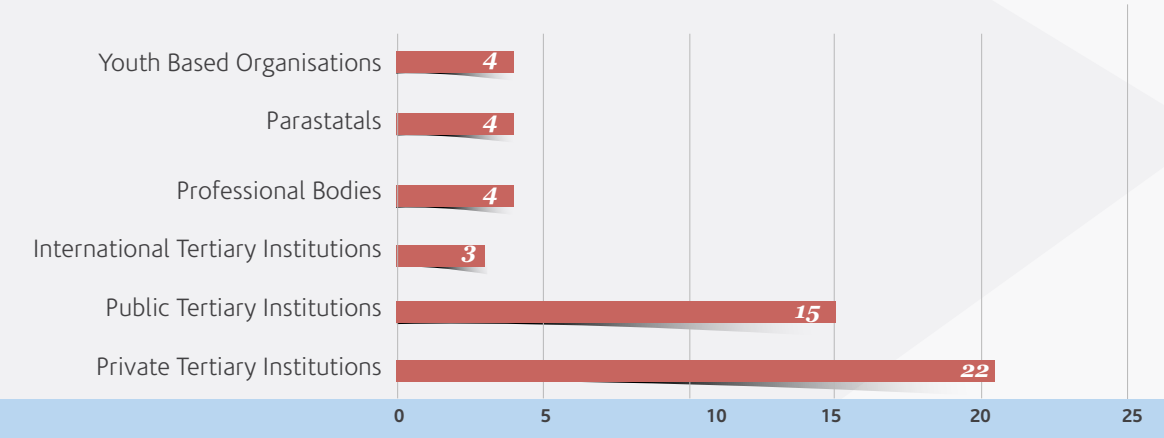


Chart One: Total Number of Exhibitors that Showcased at the Southern BHRDS Fair and Career Clinics by Type

OPERATIONAL REPORTS

COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT ACHIEVEMENTS (Cont...)

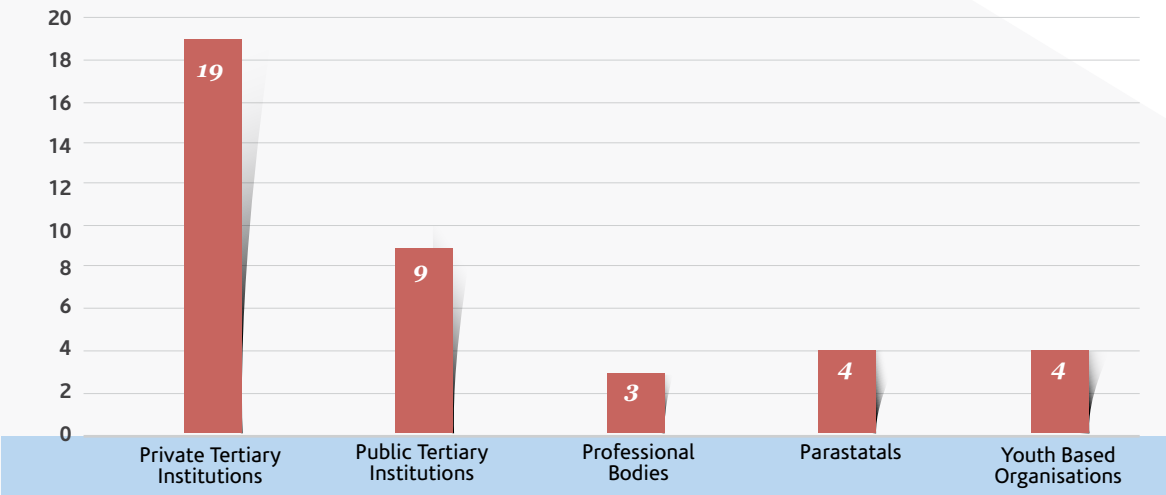


Chart Two: Total Number of Exhibitors that Participated at the Northern BHRDS Fair and Career Clinics by Type

Student Leadership Training

HRDC conducted Student Leadership Training for Student Leaders in all Tertiary Education Institutions with the aim to empower them with leadership skills. A larger number of Student Representative Council (SRCs) from private institutions attended the training in comparison to public institutions.

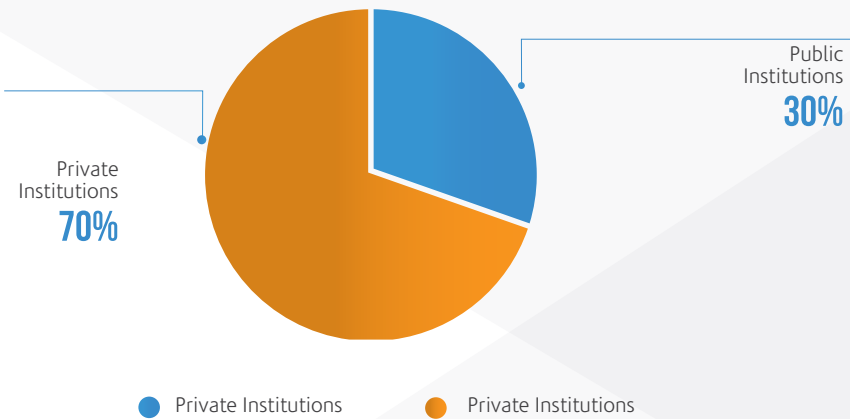


Chart Three: Percentage of Institutions that attended the Student Leadership Training

OPERATIONAL REPORTS

COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT ACHIEVEMENTS (Cont...)

Student Affairs Services Norms And Standards

HRDC is mandated to ensure that Batswana have equitable access to quality education system that is responsive and advances learner potential. In a bid to operationalise this function that supports the learners life on campus, the Student Affairs Services (SAS) Norms and Standards as well as Implementation Guidelines for Tertiary Education Institutions in Botswana are being developed. Once completed and finalised, institutions will be expected to adopt the documents and draw SAS Plans and their implementation strategies, whereas HRDC will audit their implementation.

Work - Place Support Visit

During the financial year under review, HRDC undertook Work – Place support visits, and amongst the sectors visited were the following: Wholesale Retail, Agriculture, Tourism and others.

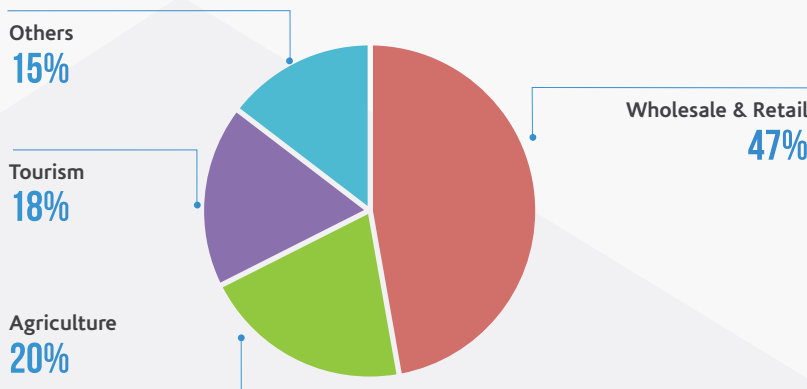


Chart Four: Percentage of Work-Places visited during 2016/17 Financial Year

Work Skills Training Plans

It is the responsibility of HRDC to ensure that all Work - Places that plan to embark on training submit Work Skills Training Plans (WSTPs) at the beginning of the financial year. The plans are central to promoting skills development at the Work - Place and it is imperative that the WSTPs are developed to ensure the following:

- That skills developed are aligned to the national priorities as stipulated in the National Human Resource Development Plan and/or Top Occupations in Demand;
- That supply is re-directed to meet demand;
- That Work - Place Learning is aligned to the labour market needs of today's competitive world.

In 2016/17 the submitted WSTPs were analysed by sector and are presented in **Chart Five**.

OPERATIONAL REPORTS

COORDINATING SUPPLY OF HUMAN RESOURCE DEVELOPMENT ACHIEVEMENTS (Cont...)

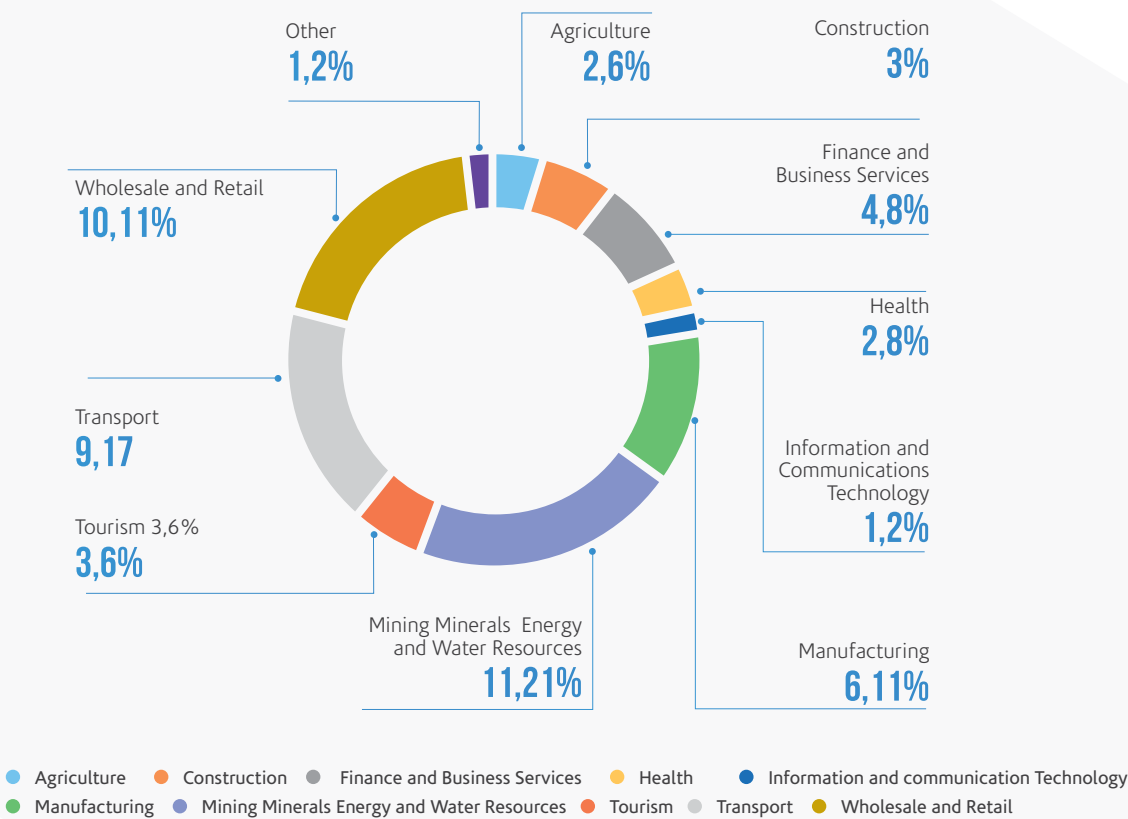


Chart Five: Percentage of Work Skills Training Plans Received by Sector in 2016/17 Financial Year

Challenges

Although there has been positive uptake and submission of Plans, HRDC has noted some challenges such as:

- Work - Places and institutions having been slow in submitting Plans, but HRDC will continue to engage and sensitise them.
- Inability of HRDC to host BHRDS Fair and Career Clinics beyond Francistown and Gaborone due to budgetary constraints.

OPERATIONAL REPORTS

FINANCING OF EDUCATION AND TRAINING

Achievements

Public Tertiary Education Institutions Fund (PTEIF)

During the 2016/2017 period, Unit Cost calculations exercise was carried out at various local public tertiary education institutions. Unit cost data provides institutional management with reasonably simple and understandable basis for measuring expenditures and revenue needs for their institutions. **A Unit Cost** is defined as the outcome of a measurement of the cost incurred in making teaching personnel, and teaching and learning resources available to one student for a specified period.

Accurate unit cost data may therefore be used by institutions to determine adequate levels of funding and provide for predictability in funding levels. Such data can also enable institutions to project their needs on timely basis and promotes efficiency in institutional operations. During the year under review, the exercise was carried out at 17 public tertiary education institutions for the 2015/2016 Financial Year. The institutions included Colleges of Education, Health Training Institutions, Technical Colleges, Institute of Development Management (IDM) and Wildlife Training Institute (WTI) amongst others. The unit costs and enrolments varied across institutions as illustrated in Charts Six, Seven and Eight.

Tertiary Education Student Support Fund (TESSF)

During the year under review, HRDC continued to engage with key stakeholders with regard to finding solutions towards sustainable student sponsorship. Some of the activities that were carried out towards this initiative was hosting the first **Botswana Tertiary Education Financing Pitso in October 2016**.

The Pitso ‘delegates’ deliberated on challenges facing the financing of tertiary education in Botswana focusing on the following thematic areas: sources of funding; equity and inclusiveness in tertiary education; and, sustainability. The recommendations included amongst others; the need for cost sharing, strengthening of the loan recovery system and development of an integrated student data management system.

Human Resource Development Fund (HRDF)

HRDC continued its mandate of managing the Human Resource Development Fund (HRDF), which was established to finance Work Place Learning. For the year under review, the net levy collection was **P281,068,425** compared to **P282,284,764** last financial year. Although the levy collection has been consistent, the utilisation of the Fund continues to be low. However, notable strides were made to improve the utilisation of the levy for skills development as follows:

1. **Review of procedures and processes with the view** to simplify Fund requirements.
2. **Establishment of the Contact Centre** to assist levy payers to meet requirements for claims submission and provide general Fund information.

Since the establishment of the Contact Centre, the quality of claims submitted has improved resulting in a significant improvement on the turnaround time. As at the end of March 2017, the Fund had achieved turnaround time of

OPERATIONAL REPORTS

FINANCING EDUCATION AND TRAINING (Cont...)

payment processing conducted within eight(8) weeks as compared to three (3) – six (6) months previously.

4. Claims Payments

There has been a marked improvement with regards to processing of claims as reflected in **Table Two** on Page 36.

- a) Of the **4798** total claims processed, 4031 **were approved and paid** amounting to **P178 million**. This represents a payment rate of **84 percent**.
- b) Of the **3338** long outstanding claims that were processed during the year, **83 percent** were paid.
- c) Of the **1460** current claims processed, **1247 (76 percent)** were paid within a period of eight weeks of receipt of the claim.

5. Supporting of Other Initiatives

The Fund continued to support other initiatives that were found to be worthy towards skills development in the country as HRDC aspires to make Botswana’s human resource globally competitive, see **Table Three** on page 36.

Challenges

- 1. Low uptake of the Fund, currently **17 percent** of eligible levy payers are claiming;
- 2. Levy Payers continue to submit claims without Training Needs Analysis and approved training plans by HRDC;
- 3. Exorbitant pricing of programmes by Education and Training Providers;
- 4. Non-compliance with the BQA accreditation regulations; and
- 5. Unscrupulous intents or activities by some claimants and training providers intended to defraud the Fund.

Appendices (Statistical Tables, Charts, Graphs And Figures) for Financing Education and Training

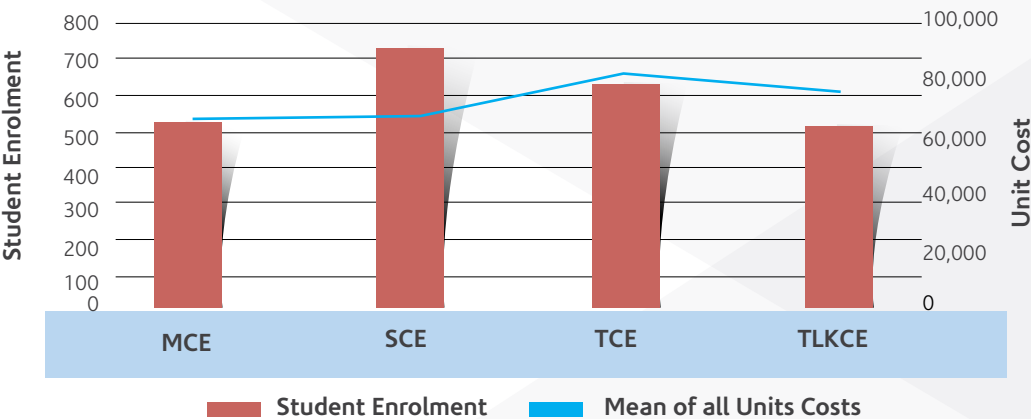


Chart Six: Student Enrolment and Unit Cost for Colleges of Education 2015/16

OPERATIONAL REPORTS

FINANCING EDUCATION AND TRAINING (Cont...)

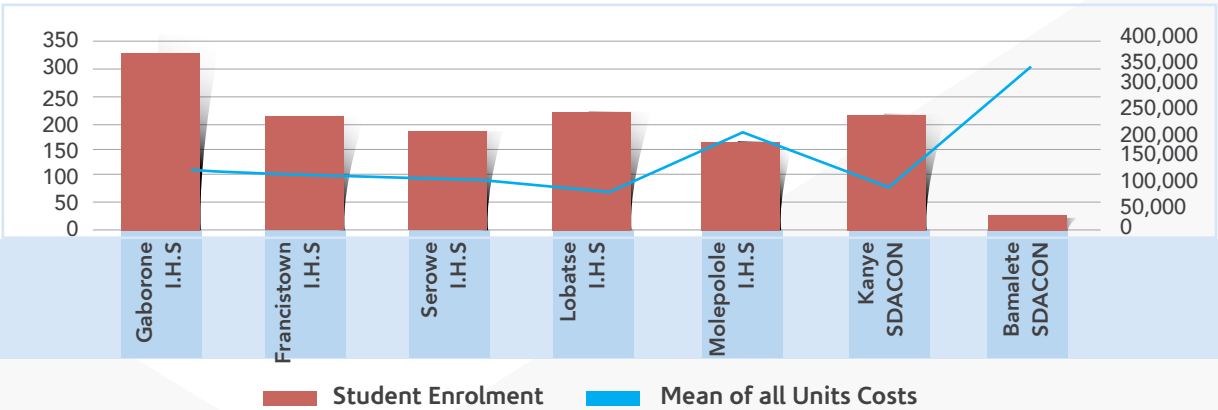


Chart Seven: Student Enrolment and Unit Cost for Health Training Institutes 2015/16

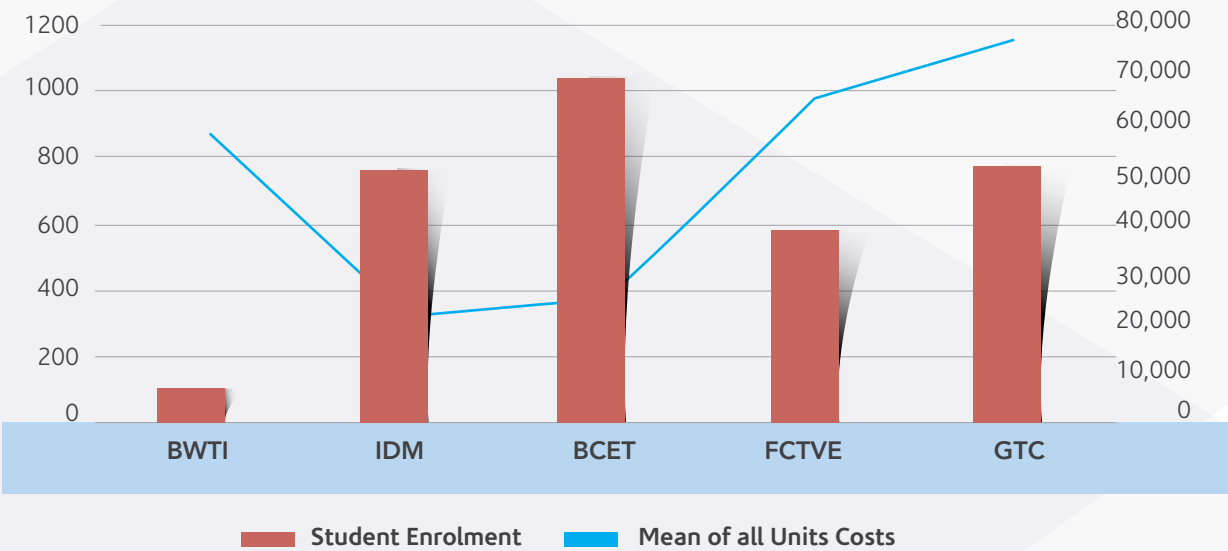


Chart Eight: Student Enrolment and Unit Cost for others 2015/16

OPERATIONAL REPORTS

FINANCING EDUCATION AND TRAINING (Cont...)

	Long Outstanding Claims 2009 - 2016	Current Claims 2016/17	Total
Claims Outstanding	3942	1560	5502
Processed* during the year	3338	1460	4798
Balance as at 31st March 2017	604	100	704
Percent of Processed Claims	82	94	88
Processed Claims Paid	2784	1247	4031
Percent of Processed Claims Paid	83.4	76	84

Processed* means approved for payment or rejected

Table Two: Analysis of Claims paid during the Financial year 2016/17

Human Resource Development Fund (HRDF)	
Funded Initiatives	Amount
Department of National Internship Programme (DNIP)	6,652,440.00
Medical Internship Training	1,175,803.00
Botswana Chamber of Mines (BCM)	15,657,336.30
Department of Technical and Vocational Education and Training (DTVET)	218,762,934.10
Total	242,248,513.40

Table Three: Funded Initiatives

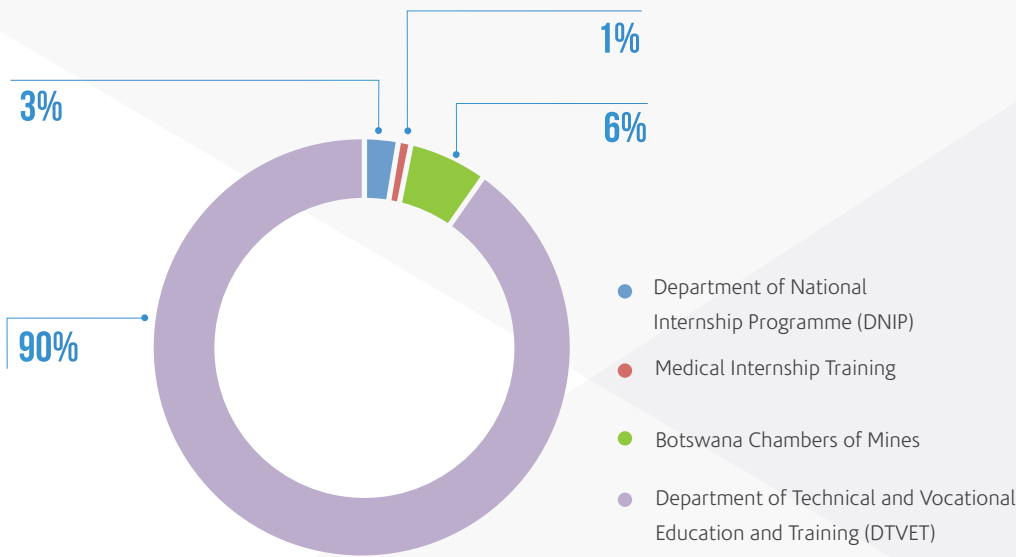


Chart Nine: Funded initiatives

OPERATIONAL REPORTS

DATA MANAGEMENT, RESEARCH AND INNOVATION REPORT

Achievements

During the financial year under review, in a bid to enhance Tertiary Education Institution - industry linked research, a call was made for the 2016/17 HRDC Research & Innovation Grant Project inviting researchers to submit research proposals pertaining to technologies and processes for industrial applications. The research call was primarily focusing on new technologies, materials and applications in niche markets.

A Business Breakfast Seminar was held to officially award P50, 000 to the 14 successful researchers in the presence of public and private stakeholders. Following the awarding of grants, researchers were trained on the importance of Intellectual Property (IP) through the mentorship of Southern African Research and Innovation Management Association (SARIMA).

Labour Market Observatory (LMO)

The revamping of the Labour Market Observatory (LMO) Website was completed and modules such as the Job Seeker Registration and Employer Modules were piloted. Updates with readily available and reliable information are continually being made. The LMO website powered by HRDC, is now live and can be accessed at www.botswanalmo.org.bw

The Council in partnership with World Bank commissioned the Consultancy to; firstly, develop Labour Market Indicators for the LMO and design an appropriate Labour Market Information System (LMIS) Framework and, secondly, to undertake a Feasibility Study on Alternative Data Sources for the Botswana Labour Market Observatory. The two consultancies commenced in March 2017 and the Inception Reports have been received and signed off by HRDC, with the draft final reports expected during the second quarter of 2017/18. A draft Statement Of User Requirement (SOUR) LMO implementation report is also being developed. The LMO committee made up of senior officials from Government, the private sector and trade unions has been constituted and will commence its work when the consultancies are complete in the second quarter of 2017/18 financial year.

Statistics

During the year under review HRDC produced the 2016 Tertiary Education Statistics Report which was endorsed by Statistics Botswana (SB). This endorsement declared the report as official therefore ready for use locally and internationally. A total of **forty- eight (48)** registered Education and Training Providers, **twenty-eight (28)** public and **twenty (20)** private providers, as per BQA's register produced data for the 2016 report with a total student population of **56,447**. The report indicates that, female students dominated across most fields of study except in Agriculture, Engineering, Manufacturing and Construction and Science **(See Table Four)**. A trend of female students' dominance across all programmes except in Science and Science related programmes was observed during 2015/16 **(See Table Four)**.

ISCED Broad Group	Female	Male	Total	Percentage Female
Agriculture	386	457	843	45.8
Education	4,005	1,724	5,729	69.9
Engineering, Manufacturing & Construction	2,300	5,404	7,704	29.9
Health & Welfare	4,135	1,998	6,133	67.4
Humanities & Arts	1,582	1,188	2,770	57.1
Science	3,064	3,929	6,993	43.8
Services	2,567	1,503	4,070	63.1
Social Science, Business & Law	14,572	7,559	22,131	65.8
Non Degree purpose	59	15	74	79.7
GRAND TOTAL	32,670	23,777	56,447	57.9

Table Four: Tertiary Education Student Enrolment by ISCED and Gender 2015/16

OPERATIONAL REPORTS

DATA MANAGEMENT, RESEARCH AND INNOVATION REPORT (Cont...)

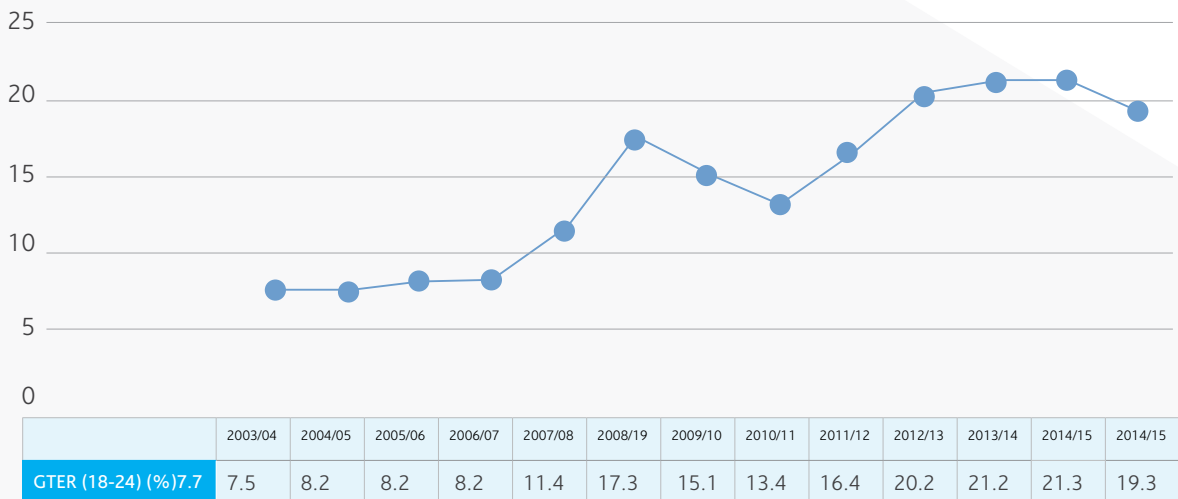


Chart 10: Gross Enrolment Trend for Tertiary Education Students (18-24 years)

A decline in participation rate at tertiary education level was observed from **21.3 percent** (2014/15) to **19.3 percent** (2015/16). The results also reveal a decrease in enrolment share for private institutions being **42.5 percent** in 2014/15 to **38.5 percent** in 2015/16 (See Chart 11 and Chart 12).

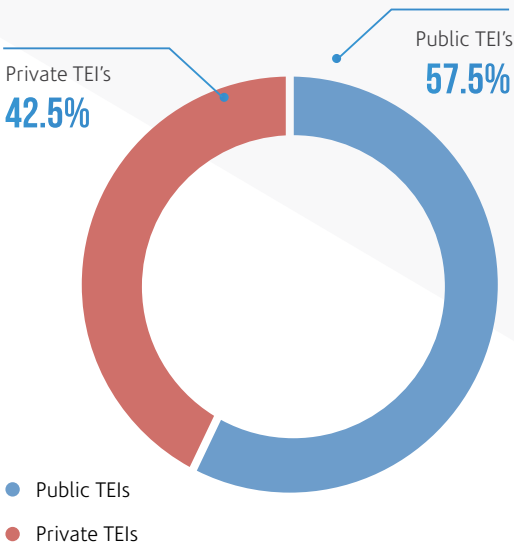


Chart 11: Enrolment Share between Public and Private Institutions - 2014/15

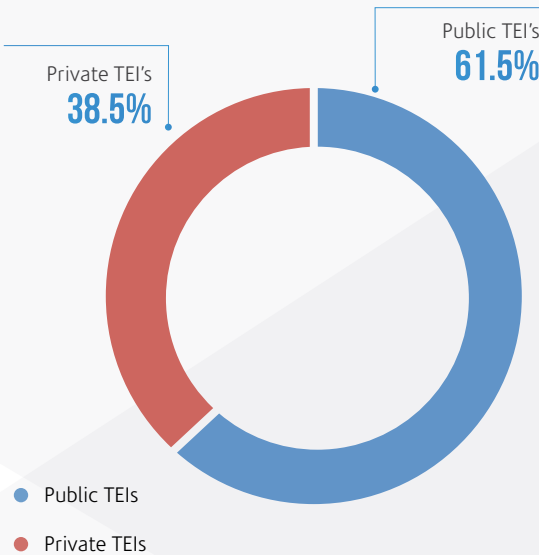


Chart 12: Enrolment Share between Public and Private Institutions - 2015/16

OPERATIONAL REPORTS

DATA MANAGEMENT, RESEARCH AND INNOVATION REPORT (Cont...)

Qualification Level	Female	Male	Total	Percent Female
Certificate ²	2,369	2,471	4,840	48.95
Diploma ³	10,123	6,341	16,464	61.49
Bachelor's Degree	16,929	12,525	29,454	57.48
Master's Degree	1,203	1,045	2,248	53.51
Master of Philosophy (MPhil)	61	87	148	41.22
Post Graduate Diploma (PGD)	304	146	450	67.56
Doctor of Philosophy (PhD)	42	91	133	31.58
Professional Courses	1,580	1,056	2,636	59.94
Non Purpose Degree ³	59	15	74	79.73
GRAND TOTAL	32,670	23,777	56,447	57.88

Table Five: Student Enrolment by Type of Qualification and Gender 2015/16

In 2015/16 a total of **14,920** students graduated from the system and the majority were Diploma and Degree holders with **5,393** and **5,396** respectively.

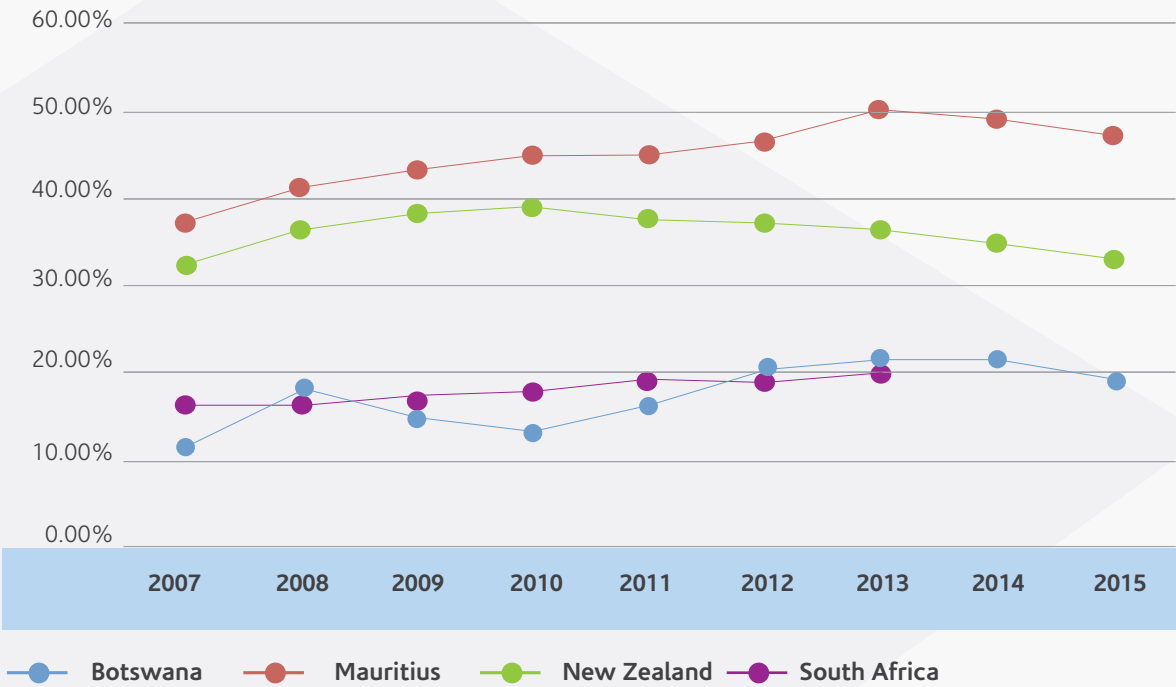


Chart 13: Gross Tertiary Education Enrolment Ratio –International Comparisons

OPERATIONAL REPORTS

STAKEHOLDER ENGAGEMENT

HRDC's communication with Stakeholders in 2016/17 focused on driving stakeholder collaboration and support. The Unit continued to interface with core functions of the organisation to appreciate their daily business and support them to get their messages out on time and on budget.

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

Fairs and Exhibitions



Learners enquiring about Programmes of Study

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. HRDC engaged with Stakeholders in Gaborone, Pandamatenga, Francistown, Ghanzi, Shakawe, Mmadinare and Moshupa.

Corporate Partnerships

HRDC partnered with Business Botswana, National Business Conference, Botswana Job Summit and also hosted the BOLESWANA (Botswana, Lesotho, Swaziland and Namibia) Biennial Educational Symposium in partnership with the Botswana Educational Research Association (BERA).

OPERATIONAL REPORTS

STAKEHOLDER ENGAGEMENT (Cont...)

BOT50 Celebrations



HRDC Staff in a jovial mood during the BOT50 Launch

In celebration of Botswana's 50 years of Independence, the Marketing Communications and Stakeholder Relations Unit spearheaded the Organisations preparations for the celebrations that were successfully held at the National Stadium on the 30th of September 2016. The preparations included; designing of the HRDC BOT 50 float which was used in the national parade narrating the story of HRDC; coordinating activities to involve Staff in the celebrations; purchasing of flags and other BOT50 branded items for the HRDC offices to upkeep the celebratory mood until BOT50+1.

Use of Social Media

In leveraging on digital marketing, HRDC continued to utilise social media platforms, mainly its Facebook and Twitter accounts to reach the youth and other digitally savvy stakeholders to create awareness and educate them about the mandate of HRDC. HRDC Facebook page has proved to be effective and interactive platform for stakeholders. Its heightened subscription necessitated HRDC to primarily use it as an advertising and information dissemination platform and also for stakeholders to give feedback.

Publications

HRDC continued to drive internal and external communication through the use of HRDC Insight Newsletters and Weekly Briefs that focused on educating and informing both internal and external stakeholders on the various activities of the Council. HRDC also published the Corporate Profile, Institutional Planning Frameworks for both Public and Private Institutions.

New HRDC Website

In an effort to remain available to a wider audience, the Unit coordinated development of the HRDC's new website. As a window into HRDC's operations, the website continued to avail information about the organisation's mandate and other activities of the Council thereby reaching out to stakeholders locally and globally. The new website address is www.hrdc.org.bw

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. Such support was mainly through interviews to collect stories and publish them on an email-circulated Weekly Brief, Quarterly Newsletter and posting them on the intranet.

OPERATIONAL REPORTS

ENABLING ENVIRONMENT

Human Resource Management

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 working environment.

Staffing



HRDC Team

HRDC has an approved staff complement of **151** positions. As at 31st March 2017, the Council's staff complement stood at **99** against an establishment of **151**. This comprised of **64 females** and **35 males** all employed on Permanent Fixed Term contract of **60 months** (5 years). During the reporting year, HRDC recorded staffing growth of **13.75 percent** being an increase from **87** to **99** employees. Recruitment included changes in new leadership which witnessed the appointment of the new Chief Executive Officer (CEO) and appointment on promotion of the Chief Operations Officer (COO). HRDC also welcomed a number of new staff at Director, Managerial and professional levels.

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.

Capacity building

Staff development continue to be an integral part of the organisational strategy. During the reporting period, HRDC managed to enrol **23 employees** on long term training mostly covering Masters level at **52.2 percent**, PhD level at **13 percent**, Degree level at **30.4 percent** and others at **4.4 percent**. 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.

OPERATIONAL REPORTS

ENABLING ENVIRONMENT (Cont...)

Staff Welfare



HRDC Staff at Lion Park during Team Building

HRDC subscribes to work – life balance, and therefore continued to invest in the health and wellness of its staff as evidenced by the existence of a well-equipped gym with an instructor. The gym is open for use by all employees, and the Wellness Programme was firmed up by HRDC in a series of wellness activities including Annual Wellness Day, participation in charity events and team building activities.



HRDC Staff at Lion Park during Team Building

OPERATIONAL REPORTS

ENABLING ENVIRONMENT (Cont...)

Quality Management System

During the year under review, Quality Management Systems (QMS) Unit intensified its efforts by training staff on ISO 9001 Document Development. Following the completion of staff training, Departments made progress in documenting their internal processes.

The benefits of implementing documented processes are; improved productivity and reduction in waste as work is done according to laid down procedures. The Council intends to join other organisations that conform to ISO 9001 Standard requirements.



Improved Productivity in the Work-Place

OPERATIONAL REPORTS

ENABLING ENVIRONMENT (Cont...)

Corporate Budget And Expenditures



HRDC continued to expand its capacity to continue the drive towards becoming sufficiently resourced in all its requisite technical areas to better deliver its mandate. However, restraint was exercised in keeping the growth moderate on account of constrained national economic environment.

As a result, HRDC financial resources requirements also increased moderately from the previous year. The approved budget for the year under review was **P110.50** Million representing an increase of **9%** from the previous year. The budget was funded by a Government Recurrent Grant of **P47.93** Million, a Capital Grant of **P10.17** Million (**P2.00** Million from Government Grant and **P8.17** Million from deferred capital grants), a Human Resource Development Fund Administration Fee of **P29.00** Million and the balance of **P23.4** Million from other sources. The recurrent expenditure constituted **91%** of the budget while the capital expenditure constituted **9%** of the budget.

The actual expenditure for the year under review was **P79.6** million. Personnel emoluments' and related costs were **P48.98** Million representing an increase of **35%**. The increase was largely due to staff salary back pays emanating from the transition from T.E.C. to HRDC. The second major cost was Botswana Human Resource Development Skills Fair (BHRDS) and Career Clinics at **P4.9** Million, registering a significant increase from the previous year figure of **P3.26** Million. This was a result of hosting the BHRDS and Career Clinics in Francistown for the first time. All this was in an effort to improve service delivery by reaching out to prospective learners in the northern Botswana. Stakeholder Consultations (an aggregation of Stakeholder Meetings, Conferences, Travel and Accommodation) amounted to **P4.51** Million). Stakeholder consultations are critical to the success of the HRDC as the public in general are the consumers of the HRDC products and services. Consultancy Services remained high at **P2.05** Million as HRDC continued with the development of Sector Human Resource Development Plans and other tools and frameworks for Tertiary Education Planning.

APENDIX: ONE

LIST OF FIGURES, CHARTS AND TABLES

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APENDIX: TWO

TERTIARY INSTITUTIONS

PRIVATE INSTITUTIONS INCLUDE:	
ABMUC	ABM University College
ABC	Asseby Bible College
BIUC	Ba Isago University College
BC	Boitekanelo College
BTI	Boitekanelo Training Institute
BBTI	Bosa Bosele Training Institute
BU	Botho University
ISB	Imperial School of Business
FMS	Flying Mission School
GAE	Gaborone Academy of Education
GIPS	Gaborone Institute of Professional Studies
GUCL	Goborone Universal College of Law
KCTE	Kgolagano College of Technical Education
LUCT	Limkokwing University of Creative Technology
MANCOSA	Management College of Southern Africa
NEC	New Era College of Arts & Technology
COLLEGE OF EDUCATION INCLUDE:	
FCE	Francistown College of Education
MCE	Molepolole College of Education
SCE	Sorowe College of Education
TKCE	Tlokweng College of Education
TC	Tonota College of Education
INSTITUTE OF HEALTH SCIENCE INCLUDE:	
BLSN	Bamalete Lutheran School of Science
IHSF	Francistown Institute of Health Sciences
IHSG	Gaborone Institute of Health Sciences
IHSL	Lobatse Institute of Health Sciences
IHSM	Molepolole Institute of Health Sciences
IHSS	Serowe Institute of Health Sciences
KSDASN	Kanye Seventh Day Adventist School of Nursing
TECHNICAL COLLEGES INCLUDE:	
FCTVE	Francistown College of Technical Vocational Education
GTC	Gaborone Technical College
BCET	Botswana College of Engineering and Technology
OTHER PUBLIC INSTITUTIONS INCLUDE:	
BAC	Botswana Accountancy College
BWTI	Botswana Wildlife Training Institute
IDM	Institute Development Management
DCSC	Defence Command Staff College
PUBLIC UNIVERSITIES INCLUDE:	
BIUST	Botswana International University of Science and Tecchnology
UB	University of Botswana
BUAN	Botswana College of Agricultural Resources
BOCODOL	Boswana College of Distance and Open Learning

MEMBERSHIP OF THE 12 SECTOR HRD COMMITTEES

Below is a list of membership for the 12 Sector HRD Committees and membership.

1. TOURISM SECTOR COMMITTEE

1.	Ms. Sally-Anne Follett-Smith - Chairperson
2.	Mr. Montle Siya
3.	Ms. Selebo A. Jobe
4.	Mr. Rex B. Mokandla
5.	Mr. Frank Limbo
6.	Mr. Dichaba Molobe
7.	Mr. Onkemetse Joseph
8.	Mr. Kenson Kgaga
9.	Mr. Mpho Moruakgomo
10.	Dr. Phumzile Magagula - Thobokwe
11.	Mr. Gokgathang T. Moalosi
12.	Ms. Lily Rakorong
13.	Ms. Kelebaone Maselesele

2. AGRICULTURE SECTOR COMMITTEE

1)	Dr. Howard K. Sigwele – Chairperson
2)	Mr. Boikaego Phole
3)	Mr. Blom Lekoma
4)	Mr. Mooketsi Ramatlapeng
5)	Dr. Ezekiel Chimbombi
6)	Mr. Abel Modimo
7)	Dr. Wame Boitumelo
8)	Mr. David Headman
9)	Mr. Ishmael Mosinyi
10)	Prof. Samodimo Ngwako
11)	Dr. Keoagile Molapong
12)	Mr. Japhta Radibe
13)	Mr. Harry E. Johnson
14)	Ms. Segomotso S. 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. Tom Millard
6)	Mr. Jack Tlhagale
7)	Dr. Obolokile T. Obakeng
8)	Mr. Kenneth Kerekang
9)	Prof. Tunde Oladorin
10)	Mr. Mmetla Masire
11)	Mr. Oupa Masesane
12)	Ms. Sandra Pabalinga
13)	Mr. Lebane Mokgosi
14)	Mr. Tiapo H. Ngwisane

MEMBERSHIP OF THE 12 SECTOR HRD COMMITTEES (Cont...)

4. INFORMATION, COMMUNICATION AND TECHNOLOGY SECTOR COMMITTEE	
1)	Mr. Norman Sebonego - Chairperson
2)	Ms. Julia Batlhoki
3)	Mr. Letsapa Mojaphoko
4)	Mr. Teko Monko
5)	Mr. Thato Kewakae
6)	Ms. Matshidiso Mosalagae
7)	Ms. Naledi Mooketsane
8)	Mr. Pontsho Pusoetsile
9)	Ms. Keolebogile Rantsetse
10)	Mr. Billy Batlegang
11)	Mr. Cecil Masiga
12)	Mr. John Vassiliadis
13)	Mr. Boikanyo Chilume
14)	Mr. David Serojane
15)	Dr. Andrew Molwane

5. FINANCE AND BUSINESS SERVICES SECTOR COMMITTEE	
1.	Mr. Othata Batsetswe - Chairperson
2.	Mr. Richard Nlebesi
3.	Mr. Oabile Mabusa
4.	Ms. Nosipho Ditlhabi
5.	Mr. Michael Tlhangwane
6.	Mr. Mooketsi Maphane
7.	Ms. Monica Moalosi
8.	Ms. Zoe Isaacs
9.	Mr. Tony Mautsu
10.	Mr. Tirelo Leshetla
11.	Ms. Nametso Laletsang
12.	Mr. Alvin Yalala
13.	Mr. Jayson Chakalisa
14.	Dr. Justice Gaeonale
15.	Dr. Tapiwa Gande
16.	Ms. Batlhaedi Atamelang
17.	Mr. Milikani Chilisa

6. CREATIVE INDUSTRIES SECTOR COMMITTEE	
1)	Mr. Lesiga P. Segola - Chairperson
2)	Mr. Gaokgakala Lemmenyane
3)	Mr. Kaelo Sabone
4)	Ms. Neo Matome-Harun
5)	Ms. Shirley Nkepe
6)	Mr. Gregory Lebekwe
7)	Mr. Dean Molebatsi
8)	Mr. Jameela T. Gilika
9)	Mr. Thabiso Mashaba
10)	Mr. Bafana Pheto
11)	Mr. Japhta B. Radibe
12)	Ms. Segomotso Chimbombi

MEMBERSHIP OF THE 12 SECTOR HRD COMMITTEES (Cont...)

7. HEALTH SECTOR COMMITTEE

1.	Prof. Nthabiseng Phaladze - Chairperson
2.	Mr. Duncan Thela
3.	Dr. Bangwato Sikwa
4.	Ms. Tina Molatlhegi
5.	Dr. Oathokwa Nkomazana
6.	Dr. Boipelo Mariri
7.	Ms. Thokgamo Boitshwarelo
8.	Mr. Moakanyi Seile
9.	Dr. Malaki Tshipayagae
10.	Dr. Kelly Kgosibodiba

8. EDUCATION AND TRAINING SECTOR COMMITTEE MEMBERS

1.	Dr. Roshen Kishun - Chairperson
2.	Ms. Phondy Morwaeng
3.	Mr. Richard Molefe
4.	Ms. Mphoentle Mathodi
5.	Ms. Thato Buckland
6.	Sir Wonder J. Masebola
7.	Dr. Nephious Mwandila
8.	Ms. Tebogo Gwaila-Morolong
9.	Mr. Shadreck Majwabe
10.	Mr. Cassius Mmopelwa
11.	Mr. Mothusi Kgaladua
12.	Ms. Refilwe O. Diamond
13.	Ms. Lillian N. Moremi
14.	Ms. Gorata L. Kewakae
15.	Mr. Jeff T. Mzwini
16.	Prof. Wapula Raditloane
17.	Dr. Moreetsi Thobega
18.	Dr. Phetolo Malau - Modiega

9. PUBLIC SECTOR COMMITTEE MEMBERS

1.	Mr. Jimmy Mathuba - Chairperson
2.	Mr. Clifford Maribe
3.	Ms. Beauty Wright
4.	Mr. Bajaki Chika
5.	Ms. Goitsemang Tidimane
6.	Mr. David B. Phekoetsile
7.	Ms. Wame Samapipi
8.	Mr. Mbakiso G. Morapedi
9.	Mr. Faried van Wyk
10.	Ms. Maele L. Rabashwa
11.	Ms. Bitsang Kgosi
12.	Mr. Tshepo Sayed
13.	Ms. Maelagongwe R. Dintwe
14.	Mr. Tobokani Rari
15.	Ms. Okhola Ruud
16.	Dr. Violet N. Essilfie

MEMBERSHIP OF THE 12 SECTOR HRD COMMITTEES (Cont...)

10. TRANSPORT & LOGISTICS SECTOR COMMITTEE MEMBERS	
1.	Dr. Comfort Mokgothu - Chairperson
2.	Mr. Johnson Thupane
3.	Mr. Fred Mabonga
4.	Ms. Priscilla Mpondori
5.	Ms. Mpho Monametsi
6.	Mr. Orapeleng Mosigi
7.	Mr. Gobusamang Keebine
8.	Mr. Patrick Masikara
9.	Ms. Masego Bethel
10.	Mr. Claude Kamangirira
11.	Mr. Moses Sebolai
12.	Mr. Orateng Gaetote
13.	Mr. Victor Tshambane
14.	Dr. Phetolo Malau - Modiega
15.	Ms. Saniso Sakuringwa
11. RESEARCH, INNOVATION, SCIENCE AND TECHNOLOGY SECTOR COMMITTEE MEMBERS	
1.	Mr. Tshepo Tsheko - Chairperson
2.	Ms. Joyce Bannyaditse
3.	Mr. Oscar Chiwira
4.	Mr. Timothy Moalusi
5.	Ms. Lesego Motoma
6.	Ms. Simisane Mosalakatane
7.	Prof. Shedden Masupe
8.	Prof. Gabriel Anabwani
9.	Prof. Daniel Motlhanka
10.	Mr. Uyapo Ronald
11.	Mr. Outule Rapuleng
12.	Prof. John Cooke
13.	Prof. Elisha Toteng
14.	Dr. Andrew Molwane
12. MANUFACTURING SECTOR COMMITTEE MEMBERS	
1.	Ms. Motlhagodi Molomo - Chairperson
2.	Mr. Shahid Ghafoor
3.	Mr. Johnson Maiketso
4.	Ms. Josephine Mothudi
5.	Mr. Motsholathebe Kutoro
6.	Mr. Dallas Ntopo
7.	Mr. Duncan Kgame
8.	Mr. Mahesh Shukla
9.	Mr. Bonny Wadikonyana
10.	Mr. Fredy Morwaagole
11.	Mr. Barry Mabena
12.	Mr. Vincent Selema
13.	Mr. Meshack Ramatu
14.	Mr. Ramokgoma Kaisara
15.	Mr. Ndulamo Chingapani
16.	Mr. Nixon Marumoloa

MEMBERSHIP OF THE 12 SECTOR HRD COMMITTEES (Cont...)

12. MANUFACTURING SECTOR COMMITTEE MEMBERS

17.	Ms. Patricia Tomlinson
18.	Mr. Shorn Molokwane
19.	Ms. Emeldah Phokoletso
20.	Ms. Selebo A. Jobe

APPENDICES TWO

Abbreviations, Statistical Tables, Charts, Graphs and Figures)

(BAC)	Botswana Accountancy College
(BC)	Boitekanelo College
(BCET)	Botswana College of Engineering Technology
(BEC)	Botswana Examinations Council
(BCM)	Botswana Chambers of Mines
(BGCSE)	Botswana General Certificate of Secondary Education
(BHRDS)	Botswana Human Resource Development Skills Fair and Career Clinics
(BQA)	Botswana Qualifications Authority
(BSC)	Balance Score Card
(BSIC)	Botswana Standard Industrial Classification
(BUAN)	Botswana University of Agriculture and Natural Resource
(BURS)	Botswana Unified Revenue Services
(CEI)	Centre for Employment Initiatives
(CGC)	Career Guidance Clinic
(FAC)	Finance and Audit Committee
(FC)	Funding Committee
(FCTVE)	College of Technical and Vocational Education
(HATAB)	Hospitality and Tourism Association of Botswana
(HPO)	High Performance Organisation
(HRC)	Human Resource Committee
(HRD)	Human Resources Committee
(HRDAC)	Human Resource Development Advisory Council
(HRDC)	Human Resource Development Council
(HRDF)	Human Resource Development Fund
(HRDFC)	Human Resource Development Fund Committee
(HRDPSC)	Human Resource Development Planning Sector Committee
(IAS)	International Accounting Standards
(IASB)	International Accounting Standards Board
(IP)	Intellectual Property
(ICT)	Information Communication and Technology
(IFRS)	International Financial Reporting Standards
(ISCED)	International Standard Classification for Education
(JVD)	Job Vacancy Database

APPENDICES TWO (Cont...)

Abbreviations, Statistical Tables, Charts, Graphs and Figures)

(LMIS)	Labour Market Information System
(LMO)	Labour Market Observatory
(MMWER)	Mining, Minerals, Water and Energy Resources
(MOBE)	Ministry of Basic Education
(MOTE)	Ministry of Tertiary Education, Research Science and Technology
(MOU)	Memorandum of Understanding
(NDP 11)	National Development Plan 11
(NHRDS)	National Human Resource Development Strategy
(PC)	Procurement Committee
(PTEIF)	Public Tertiary Education Institutions Fund
(QMS)	Quality Management System
(SARIMA)	Southern African Research and Innovation Management Association
(SOUR)	Statement of User Requirements
(SB)	Statistics Botswana
(SRC)	Student Representative Council
(T.E.C.)	Tertiary Education Council
(TEP)	Tertiary Education Providers
(TVET)	Technical and Vocational Education and Training
(UNESCO)	United Nations Educational Scientific and Cultural Organisation

DEFINITION OF TERMS

Institutional Planning

A programme of development and improvement prepared by an educational institution on the basis of its felt needs and the resources available or likely to be available, with a view to improving the Institution’s programmes and practices.

Labour Market Observatory (LMO)

The Labour Market Observatory (LMO) is a platform that monitors and understands labour market patterns and trends that is ever changing in terms of demographics, occupation skills required, technological advances and future training demands. The key features of our LMO are; (a) The LMO Committee and its Secretariat; (b) The Labour Market Information System (LMIS); and (c) The Labour Market Observatory Website.

Unit Cost

A Unit Cost is defined as the outcome of a measurement of the cost incurred in making teaching personnel, and teaching and learning resources available to one student for a specified period.

Work - Place Learning?

Work - Place learning is structured skills training and development strategies that are provided at the Work - Place. This may include the following but are not limited to apprenticeship; learnership; traineeship and internship.



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

COUNCIL INFORMATION

DOMICILE, LEGAL FORM AND PRINCIPAL BUSINESS ACTIVITY:

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

Registered address:	Plot 60113, Block 7, Ext 48, Gaborone West	
Members of the Board:	Chairman - Mr Batho C. Molomo Ms Moggie F. M. Mbaakanyi Mr Sebetlela Sebetlela Dr Grace G. Kgakge - Tabengwa Ms Michelle Adelman Ms Serty Leburu Ms Kebosweditse Ntebela Ms Helen C. Chilisa Ms Seilaneng Godisang Dr Thapelo Matsheka Mr Kelapile Ndobano Ms Ruth Maphorisa Mr Labane Mokgosi Ms Dorcas Phirie Chief Executive Officer – Dr Raphael Dingalo	
Postal address:	Private Bag BR 108 Gaborone	
Auditors:	PricewaterhouseCoopers Gaborone	
Bankers:	Barclays Bank of Botswana Stanbic Bank of Botswana Bank Gaborone BancABC	   
Lawyers:	Motumise Attorneys	

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

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ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

STATEMENT OF RESPONSIBILITY BY MEMBERS FOR THE YEAR ENDED 31 MARCH 2017

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

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

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

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

The financial statements set out on pages 62 to 93 and supplementary information on Annexure 1 were approved by the Members of the Board on 5th September 2017 and are signed on its behalf by:



Member



Member

REPORT OF THE INDEPENDENT AUDITORS



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 annual financial statements give a true and fair view of the financial position of Human Resource Development Council as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Human Resource Development Council's financial statements set out on pages 62 to 93 comprise:

- the statement of financial position as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Council in accordance with the Botswana Institute of Chartered Accountants Code of Ethics (the "BICA Code") and the ethical requirements that are relevant to our audit of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with these requirements and the BICA Code. The BICA Code is consistent with the International Standard Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B).

Other information

The Board Members are responsible for the other information. The other information comprises the Statement of responsibility by Board Members, Council information, detailed income statement and annual report – 2017, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not 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.

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 Phirie
Partners: R Binedell, A S Edirisinghe, L Mahesan, R van Schalkwyk, S K K Wijesena

REPORT OF THE INDEPENDENT AUDITORS



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 Board Members for the financial statements

The Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Human Resource Development Council Act, 2013, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board 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.

REPORT OF THE INDEPENDENT AUDITORS



- 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 Board 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.

Report on Other Legal and Regulatory Requirements

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

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

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

Individual practicing member: Kosala Wijesena
Registration number: 20000110

Gaborone
27 September 2017

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Note	2017 P	2016 P
Revenue	5	74,284,784	69,453,794
Other income	6	8,499,293	9,710,272
Administrative expenses	7	(79,648,202)	(63,878,569)
Operating surplus		3,135,875	15,285,497
Finance income	9	1,004,318	1,832,300
Surplus for the year		4,140,193	17,117,797
Other comprehensive income		-	-
Total comprehensive income for the year		4,140,193	17,117,797

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	2017 P	2016 P
ASSETS			
Non-current assets			
Property, plant and equipment	10	41,465,611	42,295,995
Intangible assets	11	423,818	283,468
		41,889,429	42,579,463
Current assets			
Trade and other receivables	12	13,311,001	12,084,197
Cash and cash equivalents	13	50,274,293	42,920,728
		63,585,294	55,004,925
Total assets		105,474,723	97,584,388
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus		31,755,306	27,615,113
		31,755,306	27,615,113
Non-current liabilities			
Capital grants	14	41,889,429	42,579,462
Current liabilities			
Trade and other payables	15	31,829,988	27,389,813
Total liabilities		73,719,417	69,969,275
Total funds and liabilities		105,474,723	97,584,388

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 March 2017

For the year ended 31 March 2016

Balance at 1 April 2015

Total comprehensive income for the year

Balance at 31 March 2016

For the year ended 31 March 2017

Balance at 1 April 2016

Total comprehensive income for the year

Balance at 31 March 2017

Accumulated surplus P
10,497,316
17,117,797
<u>27,615,113</u>
27,615,113
4,140,193
<u>31,755,306</u>

STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Note	2017 P	2016 P
Cash generated from operations			
Operating surplus		3,135,875	15,285,497
Adjustments for:			
Depreciation	10	2,386,892	2,312,656
Amortisation of intangible assets	11	124,009	98,801
Profit on disposal of plant and equipment	6	-	(30,030)
Foreign exchange (gain) / loss		(138,322)	172,904
Amortisation of deferred income	6	(2,510,901)	(2,411,458)
		2,997,553	15,428,370
Changes in working capital			
Trade and other receivables		(1,226,804)	(1,851,854)
Trade and other payables and provision for restructuring		4,440,175	(1,383,849)
Net cash generated from operating activities		6,210,924	12,192,667
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,556,508)	(1,314,367)
Purchase of intangible assets	11	(264,359)	(226,446)
Proceeds from disposal of plant and equipment		-	30,031
Interest income received	9	1,142,640	1,659,396
Net cash (used) / generated from investing activities		(678,227)	148,614
Cash flows from financing activities			
Capital grant received in current year	14	1,820,868	1,540,813
Net cash generated from financing activities		1,820,868	1,540,813
Net change in cash and cash equivalents		7,353,565	13,882,095
Cash and cash equivalents at beginning of year		42,920,728	29,038,633
Cash and cash equivalents at end of year	13	50,274,293	42,920,728

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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.

The financial statements set out on pages 62 to 93 have been approved by the Members of the Board on 5th September 2017.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost basis, unless stated otherwise.

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

2.1.1 Adoption of standards in the current financial year

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

The following new standards, amendments and interpretations to existing standards are mandatory for the organisation's accounting periods beginning on or after 1 March 2016. These have been adopted by the council during the year.

- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative - In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies (Effective 1 January 2016).

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

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.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.1.1 ADOPTION OF STANDARDS IN THE CURRENT FINANCIAL YEAR (continued)

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

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

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

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

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

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

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

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets- The IASB has issued this amendment to eliminate the inconsistency between IFRS 10 and IAS 28. If the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business', then the full gain or loss will be recognised by the investor. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. (Effective 1 January 2016).

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

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)

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption- The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. (Effective 1 January 2016).
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation.- This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. (Effective 1 January 2016).
- IFRS 14 - The IASB has issued IFRS 14, 'Regulatory deferral accounts' ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body. (Effective 1 January 2016).
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation. In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. (Effective 1 January 2016).
- Amendments to IAS 16, 'Property, plant and to equipment' and IAS 41, 'Agriculture' on bearer plants- In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant to include examples of non-bearer plants and remove current examples of bearer plants from IAS 41. (Effective 1 January 2016).
- Amendments to IAS 27, 'Separate financial statements' on equity accounting- In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. (Effective 1 January 2016).

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

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)

- Amendment to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' - This is an amendment to the changes in methods of disposal – Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.
- The amendment also clarifies that changing the disposal method does not change the date of classification (Effective 1 January 2016).
- Amendment to IFRS 7 – 'Financial Instruments: Disclosures' - Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose 'an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report (Effective 1 January 2016).
- Amendment to IFRS 7 – 'Financial Instruments: Disclosures' - Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required (Effective 1 January 2016).
- Amendment to IAS 19 – 'Employee Benefits' - Discount rate: regional market issue - The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used (Effective 1 January 2016).
- Amendment to IAS 34 – 'Interim Financial Reporting' - Disclosure of information 'elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

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)

The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete (Effective 1 January 2016).

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

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

- Amendment to Amendment to IAS 12 – Income taxes - Recognition of deferred tax assets for unrealised losses. The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets.
- The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets (Effective 1 January 2017).
- 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).
- Amendment to IFRS 9 - 'Financial instruments', on general hedge accounting - 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.1.1 ADOPTION OF STANDARDS IN THE CURRENT FINANCIAL YEAR (continued)

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

Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:

- o The own credit risk requirements for financial liabilities.
- o Classification and measurement (C&M) requirements for financial assets.
- o C&M requirements for financial assets and financial liabilities.
- o The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting).
- The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9 (Effective 1 January 2018).
- IFRS 4, 'Insurance contracts' - Regarding the implementation of IFRS 9, 'Financial instruments'. These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:
 - o 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
 - o Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39 (Effective 1 January 2018).
- IAS 40, 'Investment property' - Transfers of investment property. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence (Effective 1 January 2018).
- IFRIC 22, 'Foreign currency transactions and advance consideration' - This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice (Effective 1 January 2018).
- Annual improvements 2014 - 2016 - These amendments impact 3 standards:
 - o 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.1.1 ADOPTION OF STANDARDS IN THE CURRENT FINANCIAL YEAR (continued)

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

- o IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard. The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of IFRS 12). Previously, it was unclear whether all other IFRS 12 requirements were applicable for these interests. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017.
- o IAS 28, 'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value. IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition. (Effective 1 January 2018).
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets - The postponement applies to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures.
- The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures (Effective date postponed (initially 1 January 2016)).

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.2 Foreign currency translation (Continued)

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.

2.3 Property, plant and equipment

a) Measurement

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

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

b) Depreciation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.3 Property, plant and equipment (continued)

c) Derecognition

An item of property 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

2.5.1 Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.5 Financial assets (continued)

2.5.2 Subsequent measurement

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

2.5.3 Allowance for credit losses

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

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

2.5.4 Derecognition

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

2.5.5 Off-setting

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.6 Financial liabilities

2.6.1 Initial recognition and measurement

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

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

2.6.2 Subsequent measurement

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

a) Trade and other Payables

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

b) Restructuring provision

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

2.6.3 Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.6 Financial liabilities (continued)

2.6.4 Off-setting

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

2.7 Trade receivables

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

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

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

2.8 Cash and cash equivalents

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

2.9 Trade payables

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.10 Employee benefits

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

2.11 Provisions

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

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

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

2.12 Revenue recognition

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

2.12.1 Government grants

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

Grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

2.12.2 Human Resource Development Fund (HRDF) Administration fee

The administration fee is earned from the administration of the Human Resource Development Fund. This is a Fund where the training levy is collected 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.

2.12.3 Interest income

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

2.13 Leases

Leases of property, plant and equipment where the Council assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payment. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest bearing borrowings.

The interest element of the finance charges is charged to the statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful lives of the assets.

Leases of assets under which a significant portion of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

3

Financial risk management

3.1

Financial risk factors

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

(a)

Market risk

(i)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Council is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar. Foreign exchange risk arises from commercial transactions. Management has set up a policy to require Council to manage their foreign exchange risk against their functional currency.

		Cash and cash equivalents	Effect on surplus/deficit
2017			
Increase in exchange rate	1%	3,519,764	35,197
Decrease in exchange rate	-1%	(3,519,764)	(35,197)
2016			
Increase in exchange rate	1%	1,681,045	16,810
Decrease in exchange rate	-1%	(1,681,045)	(16,810)

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

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 2017, 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 262 807 (2016: P 429,199) lower/higher, mainly as a result of higher / lower interest income on floating rate deposits.

(b) Credit risk

Financial assets of the Council, which are subject to credit risk, consist mainly of debtors and cash resources. The Council has policies in place to ensure that the premises are rented to customers with an appropriate credit history. Cash deposits are held with high-credit-quality financial institutions. No credit limits were exceeded during the reporting period. Please refer to note 19 for disclosure on credit quality.

(c) Liquidity risk

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

The Council’s financial liabilities as given in the table below consist of accounts payable with a maturity period of less than 12 months from the statement of financial position date. The analyses of financial liabilities into relevant maturity groupings are based on the remaining period at the statement of financial position to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

3

Financial risk management (continued)

(c)

Liquidity risk (continued)

At 31 March 2017

Trade and other payables

At 31 March 2016

Trade and other payables

Less than 1 year
P
31,829,988
27,389,813

3.2

Capital risk management

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

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

3.3

Fair value estimation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

4 Critical accounting estimates and judgements

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

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

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

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

(c) Impairment loss on trade receivables

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

5 Revenue

Government subvention
HRDF administration fee

2017 P	2016 P
46,177,941	41,225,318
28,106,843	28,228,476
74,284,784	69,453,794

6 Other income

Amortisation of Capital grant (note 14)
BHRD Skills Fair & Career Clinics
Reimbursement of sector plan costs
Sale of tender documents and sundry income
Reversal of restructuring over provision
Profit on disposal of assets

2017 P	2017 P
2,510,901	2,411,458
2,862,512	2,720,725
2,544,607	2,287,392
581,273	410,219
-	1,850,448
-	30,030
8,499,293	9,710,272

7 Expenses by nature

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

Advertising
Amortisation of intangible assets
Auditors' remuneration
Board members' sitting allowances
Consultancy
Depreciation
Electricity and water
Insurance
Other Administration expenses
Printing and stationery
Repairs and maintenance
Sector committee initiatives
Staff costs (note 8)
Stakeholder meetings and Conferences
Subscriptions
BHRD Skills Fair & Career Clinics
Training and capacity building
Travelling and accommodation

2017 P	2016 P
2,370,340	2,317,745
124,009	98,801
192,160	126,000
952,089	796,497
2,047,077	4,701,006
2,386,914	2,312,656
546,527	726,328
536,214	407,832
3,484,787	2,858,526
1,364,893	895,239
1,977,090	1,596,723
1,112,793	677,491
48,978,180	36,195,294
2,497,637	2,355,461
1,600,980	1,136,572
4,976,722	3,225,381
2,472,144	1,093,430
2,027,646	2,357,587
79,648,202	63,878,569

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

8 Staff costs

Salaries and wages

Medical and gratuity expenses

Average number of employees

2017 P	2016 P
37,832,130	28,188,251
11,146,050	8,007,043
48,978,180	36,195,294
112	101
2017 P	2016 P
1,142,640	1,659,396
(138,322)	172,904
1,004,318	1,832,300

9 Net finance income

Finance income

Interest income

Foreign exchange (loss) / gain

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

10 Property, plant and equipment

	Land and buildings P	Motor vehicles P	Computer equipment P	Gym equipment P	Furniture and office fittings P	Total P
Year ended 31 March 2016						
Net book amount at beginning of year	39,326,828	1,369,847	838,747	196,092	1,562,768	43,294,282
Additions	132,405	-	853,609	-	328,353	1,314,367
Cost on disposal	-	-	(564,147)	-	(327,158)	(891,305)
Depreciation on disposal	-	-	564,147	-	327,160	891,307
Depreciation	(949,901)	(285,456)	(405,848)	(61,594)	(609,857)	(2,312,656)
Net book amount at end of year	38,509,332	1,084,391	1,286,508	134,498	1,281,266	42,295,995
As at 31 March 2016						
Cost	43,602,955	2,436,657	3,393,230	307,971	6,126,359	55,867,173
Accumulated depreciation	(5,093,623)	(1,352,266)	(2,106,722)	(173,473)	(4,845,094)	(13,571,178)
Net book amount	38,509,332	1,084,391	1,286,508	134,498	1,281,266	42,295,995
Year ended 31 March 2017						
Net book amount at beginning of year	38,509,332	1,084,391	1,286,508	134,498	1,281,266	42,295,995
Additions	-	21,500	13,498	41,070	1,480,440	1,556,508
Cost	-	-	-	-	(52,215)	(52,215)
Depreciation on disposal	-	-	-	-	52,215	52,215
Depreciation	(952,108)	(242,123)	(498,048)	(46,784)	(647,829)	(2,386,892)
Net book amount at end of year	37,557,224	863,768	801,958	128,784	2,113,877	41,465,611
As at 31 March 2017						
Cost or valuation	43,602,955	2,458,157	3,406,728	349,041	7,554,585	57,371,466
Accumulated depreciation	(6,045,731)	(1,594,389)	(2,604,770)	(220,257)	(5,440,708)	(15,905,855)
Net book amount	37,557,224	863,768	801,958	128,784	2,113,877	41,465,611

During the year, fully depreciated furniture and fittings were written off.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

11 Intangible assets

Net book amount at beginning of year
Additions
Amortisation charge
Net book amount at end of year

2017 P	2016 P
283,468	155,823
264,359	226,446
(124,009)	(98,801)
423,818	283,468
1,255,122	990,763
(831,304)	(707,295)
423,818	283,468

Cost
Accumulated amortisation
Net book amount

Intangible assets consist of computer software.

12 Trade and other receivables

Trade receivables
Less: Provision for impairment of trade receivables

Receivable from HRDF
Other receivables

2017 P	2016 P
1,182,003	1,549,261
(288,065)	(219,627)
893,938	1,329,634
6,517,659	7,134,910
5,899,404	3,619,653
12,417,063	10,754,563
13,311,001	12,084,197

As of 31 March 2017, trade receivables of P 893 938 (2016: 914,739) were fully performing.

As at 31 March 2017, trade receivable P NIL (2016: P414 895) were past due but not impaired. These relates to a number of customers for whom there is no history of default. The aging analysis of these trade receivables is as follows:

Up to 3 months

2017 P	2016 P
-	414,895

As at 31 March 2017, trade receivables amounting to P 288 064 (2015: P 219 627) were impaired and provided for. The movement in the provision is as follows:

Opening balance
Provision / (reversal) for the year
Closing provision

2017 P	2016 P
219,627	584,572
68,437	(364,945)
288,064	219,627

The fair values of trade and other receivables approximated their book values due to their short term nature.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

13 Cash and cash equivalents

Cash on hand
Cash at bank
Short-term deposits

2017 P	2016 P
735	864
14,088,481	5,931,590
36,185,077	36,988,274
50,274,293	42,920,728

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

Bank balances
Cash on hand

2017 P	2016 P
50,273,558	42,919,864
735	864
50,274,293	42,920,728

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:

US Dollar

2017 P	2016 P
3,519,764	1,681,045

14 Capital grants

Balance at beginning of year
Grant received during the year
Amortisation during the year (Note 6)
Balance at end of year

2017 P	2016 P
42,579,462	43,450,107
1,820,868	1,540,813
(2,510,901)	(2,411,458)
41,889,429	42,579,462

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

15 Trade and other payables

	2017 P	2016 P
Trade and other payables	5,661,099	6,268,309
Sundry creditors	380,353	294,880
Staff accruals (note 15.1)	14,094,309	6,995,219
Unutilised grants (note 15.2)	11,185,557	11,006,376
Provision for restructuring (note 15.3)	508,670	2,825,029
	31,829,988	27,389,813

15.1 Staff accruals

Movement in staff accruals is as follows

	Gratuity P	Leave pay P	Total P
Balance at beginning of year	5,772,880	1,222,338	6,995,219
Additional accrual during the year	9,680,755	750,847	10,431,602
Paid during the year	(2,664,981)	(667,530)	(3,332,511)
Balance at end of year	12,788,654	1,305,655	14,094,310

15.2 Unutilised grants

	2017 P	2016 P
HRDC Capital Grant	8,373,810	8,194,678
HRDC Research Grant	1,311,698	1,311,698
Recurrent Grant - Sector Committees	1,500,049	1,500,000
	11,185,557	11,006,376

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.

15.3 Provision for restructuring

	2017 P	2016 P
Opening balance	2,825,029	9,989,048
Utilised during the year	(2,316,359)	(5,313,572)
Reversal of overprovision	-	(1,850,448)
Balance at end of year	508,670	2,825,029

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

16 Commitments

As at year end, the following were approved and contracted:

Commitments for consultancies and projects

Wold Bank (CEI) - HRD - Sector Committee Plans

Masitara Forensic - Student Affairs Guidelines

2017 P	2016 P
2,438,741	-
247,685	-

17 Events after reporting date

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

18 Financial instruments by category

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

Loans and receivables:

Assets as per statement of financial position

Trade and other receivables excluding prepayments

Cash and cash equivalents (Note 13)

2017 P	2016 P
13,311,001	12,084,197
50,274,293	42,920,728
63,585,294	55,004,925

Other financial liabilities at amortised cost:

Liabilities as per statement of financial position

Trade and other payables excluding

non-financial liabilities

31,829,988	27,389,813
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NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

19 Credit quality of financial assets

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

Trade receivables

Group 2
Group 3
Total fully performing trade receivables

2017 P	2016 P
893,938	914,739
-	414,895
893,938	1,329,634

Group 1 - New customers
Group 2 - Existing customers with no defaults in the past
Group 3 - Existing customers with some defaults in the past. All defaults were fully recovered.

Cash at bank and short-term bank deposits

Stanbic Bank Botswana Limited
Barclays Bank of Botswana
BancABC
Bank Gaborone

2017 P	2016 P
33,787	3,583,868
5,248,592	1,781,339
30,079,481	10,703,150
14,911,698	26,851,507
50,273,558	42,919,864

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont...)

For the year ended 31 March 2017

20 Related party transactions

Human Resource Development Council (HRDC) was established through the Human Resource Development Act No. 17 of 2013. The Council is responsible for the co-ordination of and promotion of the implementation of the national Human Resource Development Strategy.

(a) Transactions with the Ministry of Education and Skills Development;

	2017 P	2016 P
Government grants received		
Government subventions and research grants	46,177,941	41,225,317
Capital grant received from the Ministry of Education	2,000,000	8,700,000
	48,177,941	49,925,317

(b) 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;

	2017 P	2016 P
Key management -salaries and short term employment benefits	6,729,981	8,831,574
Key management - gratuity and leave pay	3,259,396	753,584
Management - total	9,989,377	9,585,158
Payments made to board members	232,642	281,417
	10,222,019	9,866,575

21 Contingent liabilities

Staff Loan Guarantees

The Human Resource Development Council has guaranteed the obligations of its employees under a motor vehicle, housing and personal loan guarantee scheme operated through Botswana Savings Bank and Barclays Bank of Botswana Limited. The maximum amount guaranteed at 31 March 2017 was P12 679 631 (2016 : P12,525,945). No losses are expected to 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.

HUMAN RESOURCE DEVELOPMENT COUNCIL

Detailed Expenditure Statement

1 Administrative expenses

	2017 P	2016 P
Advertising	2,370,340	2,317,745
Amortisation of intangible assets (note 6)	124,009	98,801
Audit fees	192,160	126,000
Bad debts	-	518,060
Bank charges	103,515	61,711
Board expenses	414,575	218,794
Computer expenses	-	22,284
Consultancy	2,047,077	4,701,006
Depreciation	2,386,892	2,312,656
Development office expenses	389,059	587,771
Electricity and water	546,527	726,328
Impairment charge / (reversal) on receivables	68,437	(364,945)
Insurance	536,214	407,832
Legal fees	70,977	131,276
Library	91,814	164,486
Printing and stationery	1,364,893	895,239
Recruitment cost	596,578	507,686
Repairs and maintenance	1,977,090	1,596,723
Research and development	700,000	-
Salaries and wages	48,978,180	36,195,294
Sector committee initiatives	1,112,793	677,491
Security services	277,460	228,950
Sitting allowance	232,642	281,417
Sitting allowance-sector committee	719,447	515,080
Staff welfare	370,373	395,285
Stakeholder meetings and conferences	2,497,637	2,355,461
Subscription	1,600,980	1,136,572
Telephone and postage	325,690	297,731
BHRDS Fair and Career Clinics	4,976,722	3,225,381
Training and capacity building	2,472,144	1,093,430
Travel and accommodation	2,027,646	2,357,587
Vehicle expenses	76,330	89,437
	79,648,202	63,878,569

This detailed expenditure statement does not form part of the financial statements covered by the audit opinion on pages 59 to 61.

NOTES

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