

HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL



**ANNUAL
REPORT**

2014/15



ABOUT THE HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC)

The Government of Botswana has through the approval of the Human Resource Development Council Act No 17 of 2013 established the Human Resource Development Council (HRDC) that became operational on the 8th November 2013.

The objectives of the Council are to; provide for policy advise on all matters of National Human Resource Development; co-ordinate and promote the implementation of the National Human Resource Development Strategy (NHRDS); prepare the National Human Resource Development Plans and plan and advise on Tertiary Education Financing and Work-place learning.

The National Human Resource Development Strategy (NHRDS), the pillar of HRDC was approved by Cabinet in January 2009 and the overarching goal of the NHRDS is to optimise the efficiency and outcomes of the Human Resource Development to drive Botswana's human resource development agenda. The desired outcomes of the NHRDS are economic diversification and societal advancement.

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HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL



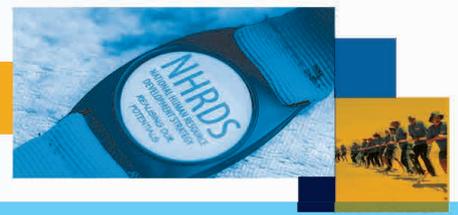
ANNUAL REPORT

2014/15



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THE HUMAN RESOURCE DEVELOPMENT COUNCIL TRANSITION TIMELINES

2012 — 2014

Establishment

- > Human Resource Development Advisory Council (HRDAC) Secretariat appointed to execute the establishment process of the Human Resource Development Council (HRDC) and Botswana Qualifications Authority (BQA)
- > Human Resource Development Council (HRDC) and Botswana Qualifications Authority (BQA) established
- > Interim Board continues to offer strategic guidance to the HRDC)
- > Soft Launch of the HRDC

- > HRDC becomes operational
- > Departments continue to deliver the work of HRDC in line with the mandate
- > HRDC continues to develop strategic partnerships & increase awareness
- > Human Resource Development Fund (HRDF) becomes functional after migration from Botswana Training Authority (BOTA) where it was called Vocational Training Fund (VTF)
- > Strategic Plan Development underway
- > HRDC new corporate brand underway

2014 — 2015

Transition

2015 & Beyond

Scaling Up

- > Former T.E.C. employees recruited and placed into the new HRDC organisational structure
- > Increased HRDC awareness
- > Establishment process of the five new Human Resource Development (HRD) Sector Committee
- > Establishment of Departments

1

Introduction

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HIGHLIGHTS OF THE 2014/15 WORK PROGRAMME



Organisational Performance: 2014/15

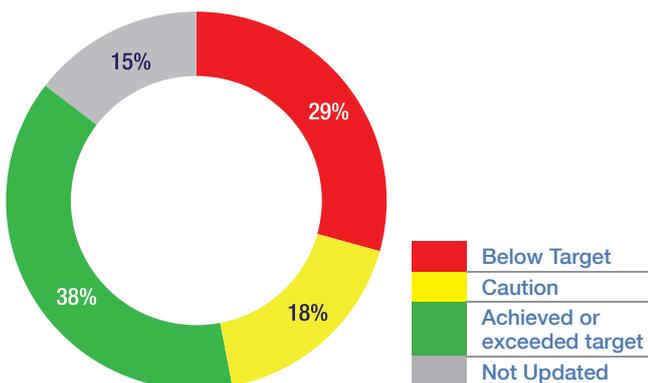
The Human Resource Development Council's (HRDC) Annual Work Plan for 2014/15 was mapped using the Balanced Score Card (BSC) methodology and had 21 strategic objectives and 33 measures with pre-defined targets. HRDC monitors its performance against the set targets and reports on quarterly basis. At the end of the reporting year, the overall organisational performance score stood at 88.3% against a target of 90%.

The overall performance score target is the average of all scores of the measures being implemented in the year, excluding those that were not updated due to non-implementation associated with unavailability of resources (human and capital). A total score of 88.3% falls within the achieved range of the performance of the organisation as summarised in the figure below.

The analysis of the measures revealed that 13 (38%) of the measures were at least achieved or exceeded target. There was unsatisfactory performance with 10 (29%) of the measures below target while six (18%) were at caution performance meaning there was good performance towards achieving the target though it was not exactly achieved. Five (15%) of the measures have not been updated due to delays in information availability.

Such a performance is significant taking into account that foregoing achievements were made despite the organisational transformation challenges that included development of the organisational structure, development of job profiles, development of the salary structure, assessment of staff and development of operational procedures and policies.

Figure One. 2014/2015 HRDC Annual Plan Performance Analysis





1

INTRODUCTION OF THE HRDC

The Financial Year 2014/15 marked the end of the Tertiary Education Council (T.E.C.) and the take-off of the Human Resource Development Council (HRDC) as the new organisation replacing the former. As reported in last year's Annual Report 2013/14, HRDC has a wider mandate than its predecessor.

The new Council deals with human resource planning; development and management; promotion of industry-based training including support to internship and attachment of learners; institutional planning; and identification of areas of priority skills development. Research development and innovation, as well as financing of public tertiary education institutions and students, and reimbursement of industry levy payers who trained their employees are also part of the mandate of the new Human Resource Development Council. Over and above this, HRDC is responsible for the overall co-ordination of the National Human Resource Development Strategy (NHRDS). It is indeed a bigger and more strategic agency of the Government of Botswana compared to the former T.E.C.

...both industry and training institutions together with policy makers, labour unions and non-governmental organisations were brought together into sector committees...

The activities in this area involved reforms of funding of tertiary education and related education and training in workplaces. The goal is to ensure that these reforms steer human resource and skills development towards achieving the broader national policy goals for economic growth, diversification and employment creation.

On the overall, the first year of implementing HRDC's mandate show major strides being made in the right direction. A concerted effort was made to monitor access, relevance and responsiveness of institutional and workplace training.

Several institutions and workplaces were visited and given guidance on the policy requirements regarding reforms of education and training sector, including the need to ensure that training is informed by priority skills areas of Botswana's development agenda.

In the same way, both industry and training institutions, together with policy makers, employee

representative (labour unions) and non-governmental organisations were brought together into sector committees whose mandate is to identify skills shortages, define strategies for their short and long term development, and to promote joint involvement in the improvement of teaching and learning. The formation of sector skills committees or Sector Human Resource Development Committees marked the end of a long period of miscommunication between suppliers and consumers of graduates. It also promises to do away with concerns on quality and relevance of graduates by industry. The committees constitute a unique and serious platform for dialogue on best strategies for human resource development in the country.



During 2014/15, which was the first year of its operation, HRDC focused on several initiatives related to its core mandate. However, the three key areas of mandate discussed at some length in this Report are redirecting supply of human resource to the appropriate areas of labour market demand; analysis of demand for skilled labour in order to determine short term, medium and long term strategies for human resource/skills development.

The main objective in these two areas of focus is to ensure that supply of graduates closely corresponds with the labour market demand. The third area of focus was reforms in the financing/funding of human resource development.

1. HRDC 2014/15 MILESTONES / ACHIEVEMENTS

Development of draft regulations for the implementation of the Human Resource Development Act, these being Workplace Learning Regulations, Public Tertiary Education Institutional Funding and Human Resource Development Fund Regulations. These regulations have now been developed and will be presented to government as advice for gazettelement.

1

Stakeholder engagement - A resounding successful Botswana Tertiary Education Conference (BTEC) 2015 and Botswana Tertiary Education Fair (BTEF) 2015 was held. The Conference engaged national players in education and training on how Technical and Vocational Education can be developed and promoted to enhance youth employability.

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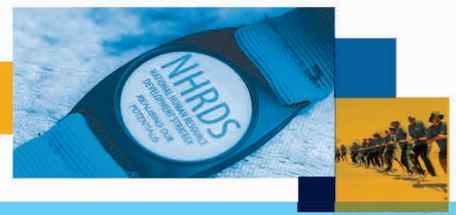
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Implementation of projects for student/learner guidance in career choices. HRDC conducted Career Clinics, Botswana Tertiary Education Fair 2015 and several meetings with Student Representative Councils (SRC's) during the year were held. These activities were carried out to guide current and prospective tertiary education students/learners on policy issues and areas of priority training needs.

The Botswana Tertiary Education Fair was organised for students to interact with education and training providers to identify programmes and institutions for which they could enroll. Both activities were characterised by high student attendance at more than **21,000**.

4

Skills and education for sustainable development and poverty reduction - A Skills Development Project has been launched with identification of seven semi-literate unemployed rural areas women being trained in solar electrification. The women are from the Kgalagadi and Central Districts and were sent to India for a six months training programme of which upon completion, they are expected to install solar electrification units in their villages, maintain them and train other villagers.



HRDC 2014/15 MILESTONES / ACHIEVEMENTS (continued)

Globalisation of skills development in Botswana and promotion of the country as a regional education hub. During the reporting quarter, partnerships for advancing education and training in Botswana have been established with:

> *Creative Industry Coalition of South Africa and Italian Universities who are planning to establish a regional training centre for Southern Africa in providing international programmes in Architecture and Designs. An understanding has been established to kickstart the project.*

> *Another understanding has been reached through a proposal by an institution in Finland for the training of trainers in Botswana as it has been identified that most Technical Vocational Education Training (TVET) trainers in Botswana do not meet the requirements.*

> *The HRDC was accepted as a United Nations Educational, Scientific and Cultural Organisation and International Center for Technical, Vocational Education and Training Centre (UNESCO-UNEVOC) that would assist in internalisation and promotion of TVET in the country.*

5

Providing input and policy advice in the development of the Technical Education and Vocational Training Policy and the development of the Botswana Education Pathways.

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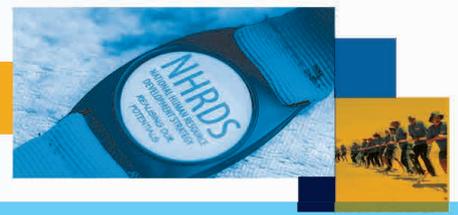
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Preparations for implementation of Students Sponsorship through outsourcing. There has been collaborative meetings with the Ministry of Education and Skills Development, Department of Tertiary Education Funding (DTEF), HRDC and Botswana Post in a bid to outsource the Student Sponsorship Fund. As at the end of the reporting year, this process was at an advanced stage of evaluation of the single sourced bid of the Botswana Post.

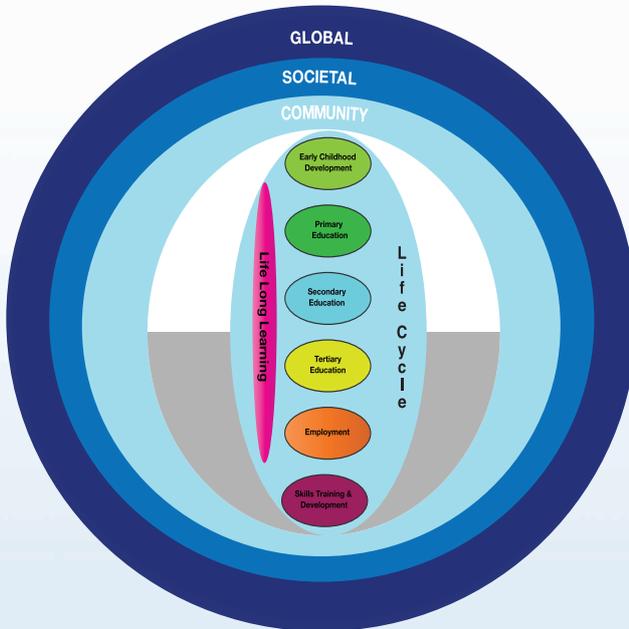
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Establishment of a New Organisation, Staffing and Budgets – during the reporting year, the Interim Board completed the new organisational structure; developed new terms and conditions of service; and assessed and placed employees that were previously employed by the Tertiary Education Council (T.E.C.). A new budget commensurate with the mandate and organisational structure of HRDC was developed and implemented.

The next sections of this Annual Report provide elaborate details on the five areas of core mandate that is, supply; demand; financing/funding of human resources and internal areas of staffing; and budget of HRDC during 2014/15 as well as how these are likely to positively impact on national human resource development and economic and social welfare of the population.



2. THE BEGINNING OF HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC)



The National Human Resource Development Strategy (NHRDS) was approved by Cabinet in January 2009 and recommended a rationalisation strategy geared towards eliminating the overlapping mandates and duplication of services between the then Tertiary Education Council (T.E.C.) and the then Botswana Training Authority (BOTA). It did put in place a holistic and integrated institutional framework comprising two new statutory bodies namely the Botswana Qualifications Authority (BQA) and the Human Resource Development Council (HRDC).

The realisation of the NHRDS will guarantee the delivery of a range of national, societal, government, private sector, civil society and institutional reforms that are yet to prove that they are necessary to guarantee Botswana's future status as a *'winning nation'*. Furthermore, NHRDS is a key contributor to ensuring that Botswana is a *'Nation at Work'* with its people employed in high-skill-high-value jobs.

The overarching key goal of the NHRDS is to optimise the efficacy and outcomes of the HRD to drive Botswana's development agenda.

The desired outcomes of the NHRDS are economic diversification and societal transformation.



The HRDC Building

3. THE NATIONAL HUMAN RESOURCE DEVELOPMENT STRATEGY (NHRDS) VISION, MISSION VALUES AND STRATEGIC GOALS

Our Vision

By 2022 it will be universally accepted that quality, productivity and motivation of its people will be Botswana's single greatest and most valuable resource.

.....

Our Mission

Botswana's national human resource development mission will be to encourage each citizen to realise their individual potentials, through an approach which balances need and capability that enables them to play a full meaningful role in their community, society and the world.

.....

Our Values

The following values will underpin each goal, objective and programme activity:

Equity

—

Quality

—

High Performance Standards

—

Accountability



THE NATIONAL HUMAN RESOURCE DEVELOPMENT STRATEGY (NHRDS) VISION, MISSION VALUES AND STRATEGIC GOALS (continued)

Our Strategic Goals

1. Our **Collective Goal** as a nation is to:

Harness the full human resource capacity of the nation by providing opportunities for Batswana to realise their full potential across all stages of the human resource development life cycle so as to build a stable, prosperous and globally competitive nation.

.....

2. Our **Personal Goal** as individuals is to:

Achieve my full potential as an individual by assuming a personal responsibility for my own self-development through determination, courage, self-sacrifice and by recognising that I am ultimately answerable for ensuring the maximisation of my own abilities.

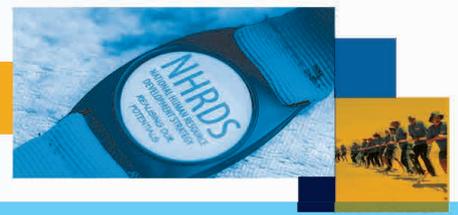
4. ESTABLISHMENT OF HUMAN RESOURCE DEVELOPMENT COUNCIL AND THE TRANSITION PROCESS

The Transition Process

The HRDC (formerly the T.E.C.), in its participation in the transformation process and preparation for the rationalisation has put in various efforts to support staff through the change management programme.

Staff was continuously engaged and multi-tasked on business continuity to meet customer needs and organisational objectives and at the same time doing project team work in supporting the Human Resource Development Advisory Council (HRDAC) to establish the Human Resource Development Council (HRDC).





5. HRDC CORPORATE PROFILE

The Human Resource Development Council (HRDC) was established through the approval of Human Resource Development Council Act No 17 of 2013, and became operational on the 8th November 2013.

HRDC Objectives are to;

- > Provide for policy advice on all matters of national human resource development;
- > Co-ordinate and promote the implementation of the national human resource development strategy;
- > Prepare the national human resource development plans; and
- > Plan and advise on tertiary education financing and work-place learning



6. HRDC CORPORATE PROFILE (continued)

HRDC Functions are to:

1. Advise the Minister on all policy issues relevant to the implementation of the national human resource development strategy as developed by the government from time to time;
2. Formulate the national human resource development plan;
3. Provide advice on management, planning and financing with specific reference to:
 - i. Internship
 - ii. Apprenticeship,
 - iii. Work-place learning, and
 - iv. Reimbursing employers who have incurred training costs for apprentices or trainees.
5. Manage Funds established under Part VII of the HRDC Act No.17
6. Promote work-place learning;
7. Establish and manage a national labour market information system and national education and skills development data base;
8. Promote the establishment, co-ordination and approval of institutional plans for public and private tertiary education institutions and post implementation monitoring with specific reference to:
 - i. Human resource development
 - ii. Research and innovation, and
 - iii. Institutional capacity building;
9. Co-ordinate, promote and support tertiary education-industry link research and Innovation activities.
 - i. Formulate human resource development plans for key sectors of the economy through linkages with employers in the public and private;
 - ii. Develop strategies for student attachments and academically prescribed internships and promote methods of skills development; and
10. Act as a supervisory agency to co-ordinate the implementation of the National Human Resource Development Strategy and ensure a link between the different levels of education, training and skills development.

HRDC's key role is to turn-around Botswana's education and training system from a supply-led into a demand-driven system. The central tools to the latter approach are the Sector Human Resource Development (HRD) Committees which serve to define the skills requirement for each sector and advise training institutions to respond accordingly. So far HRDC has established seven (7) sectors namely; Agriculture; Creative Industries; Tourism; Finance and Business; Information Communication and Technology (ICT); Health; and Mining, Minerals, Energy and Water Resources. These sector HRD Committees are now working on their individual HRD skills plan.

The establishment of these Sector HRD Committees and the implementation of their mandate will contribute towards the country's better preparation for economic development.

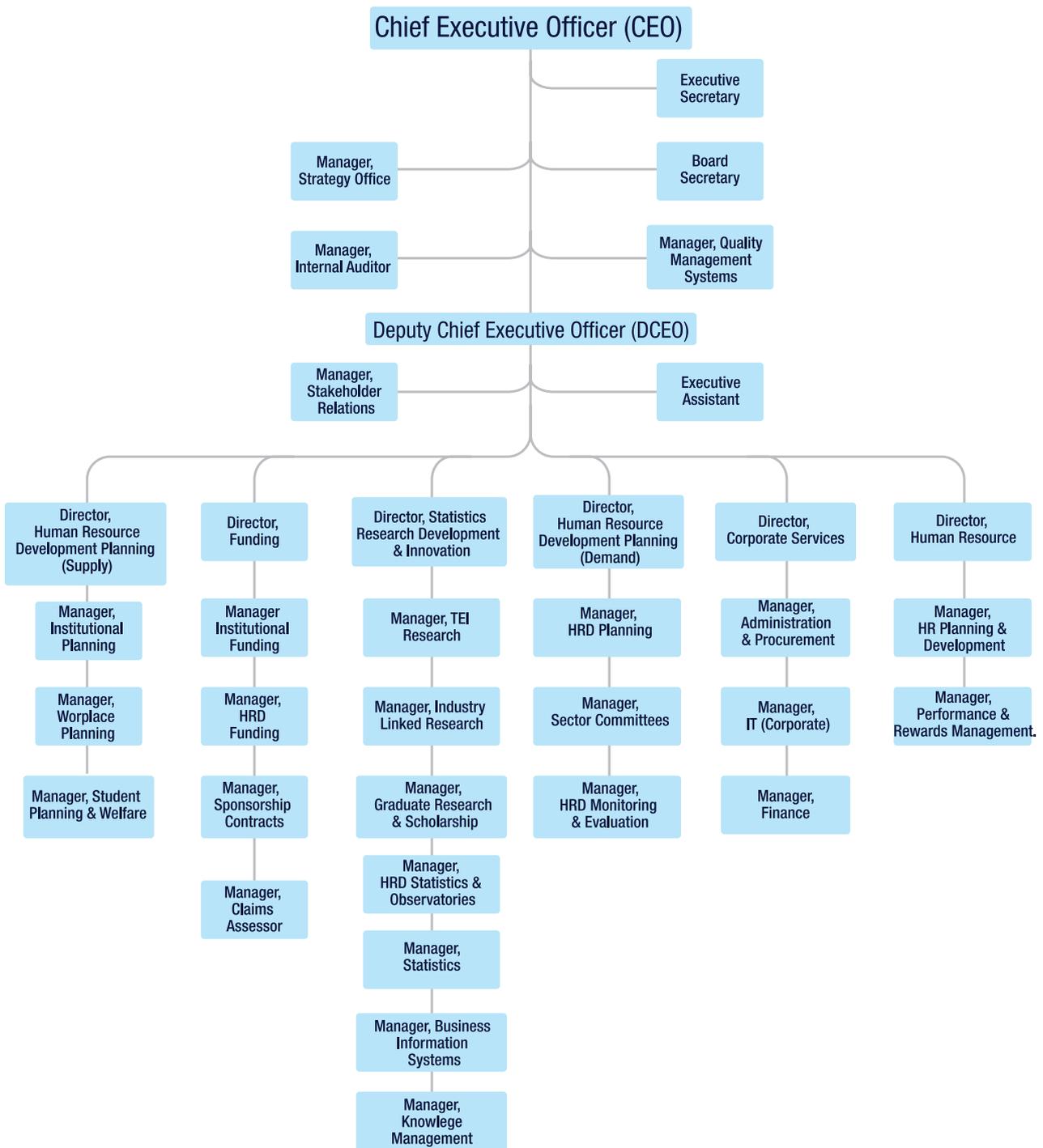


HRDC Departments

1. Office of the Chief Executive
2. Office of the Deputy Chief Executive
3. Department of Human Resource Development Planning (Demand)
4. Department of Funding
5. Department of Human Resource Development Planning (Supply)
6. Department of Statistics, Research Development & Innovation
7. Department of Corporate Services
8. Department of Human Resource

7. THE HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC) ORGANISATIONAL STRUCTURE (ORGANOGRAM)

During the year under review, the Human Resource Development Council (HRDC) Interim Board approved a new organisational structure, which will be implemented in phases in the next financial year 2015/16. The new organisational structure was initiated as part of the broader organisational transformation. See the new organisational structure below.



2

Governance

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2 GOVERNANCE

1. CORPORATE GOVERNANCE REPORT

The Human Resource Development Council (HRDC) is committed to the highest standards of service delivery, integrity, ethical values and professionalism in all its activities and business delivery or undertakings. As an essential part of this commitment, the members of the Board support high standards of corporate governance. In discharging its mandate, the Board has to ensure that it carries out its services with integrity as in accordance with the Human Resource Development Council Act No 17 of 2013 that established the Human Resource Development Council (HRDC) which became operational on the 8th November 2013.

Furthermore, the Board adheres to International Financial Reporting Standards (IFRS) in the preparation of its financial statements, which require that the information reported in the financial statements is transparent, relevant, complete and reliable.

The HRDC understands that adhering to sound principles of corporate governance is critical to earning and maintaining the trust of key stakeholders and ultimately our service delivery standards.

THE BOARD MEMBERS

The governing body of the HRDC is the Board consisting of the Chairperson, the Deputy Chairperson and the Board members drawn from Government, the private sector, labour unions, tertiary education institutions, the academic community, students and a representative from the wider community.

The Board comprises thirteen (13) non-executive members who are appointed by the Minister of Education and Skills Development for a tenure of three (3) years and the Chief Executive Officer as the Head of the Secretariat.

The selection of the Board Members is based on their experience in various disciplines, but balanced to ensure that the different professionals can blend together and give strategic direction to the board. The Board is responsible for setting the direction of the HRDC through the implementation of the National Human Resource Development Strategy (NHRDS).

The HRDC Board meets on a quarterly basis, pursuant to its statutory mandate to ensure proper and effective control of the organisation's operations and to carry periodic evaluation of the operations. Furthermore, the role of the Board entails considering projects, provision of various strategic activities and assess policy issues and make decisions on matters having material effect on the Board's affairs. However, an emergency meeting may be called at any time to address pressing business or issues.

It is expected that at every seating the Board Members make declaration of interests on matters before them.

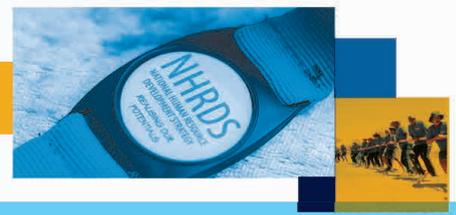
HRDC Board Sitting Allowances

The sitting allowances for HRDC Board currently are in accordance with Government rates for category C organisations as follows:

Chairperson	P735.00
Deputy	P588.00
Members	P588.00

2. HUMAN RESOURCE DEVELOPMENT COUNCIL BOARD MEMBERS





During the year under review, the Human Resource Development Council operated through the Interim Board comprising the following members to guide on the execution of the mandate of HRDC.

Board Members

1. **Dr K. J. Gasennelwe — Chairperson**
Representative of the Community
2. **Mr T. Monyatsi — Private Businessman**
Representative, Private Sector
3. **Mr C. Dekop, Secretary — Development & Budget**
Ministry of Finance & Development Planning
4. **Ms N.G. Mosalakatane — Human Resource Consultant**
Representative, Private Sector
5. **Mr C. Morupisi — Director**
Directorate of Public Service Management (DPSM),
Government Representative
6. **Mr F. J. van Wyk — Managing Director**
NOVA, Representative, Business Sector (BOCCIM)
7. **Mrs M. Moremong – Gobe — Managing Director,**
MG Properties, Representative, Private Sector
8. **Mr M. Masire — Chairperson,**
Human Resource Development Fund (HRDF)
9. **Mr A. S. Keitseng**
Molepolole College of Education, Representative,
Academic Community
10. **Professor T. Fako — Vice Chancellor**
University of Botswana, Representative,
Public Universities
11. **Mr T. Piet – Buisanyang**
New Era College, Student Representative
12. **Mr A. Modungwa, — Acting Chief Executive Officer,**
Botswana Qualifications Authority (BQA)
13. **Mr R. Matlhare — Permanent Secretary**
Ministry of Education and Skills Development (MoESD)

3. HUMAN RESOURCE DEVELOPMENT COUNCIL EXECUTIVE COMMITTEE MEMBERS



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5

Board Committees

The Board has five (5) specialist committees lead by the following;

1. **Dr K.J Gasennelwe**
— Chairperson,
HRDC Executive Committee Board (EC)
2. **Dr P. Molutsi**
— Chairperson,
HRDC Advisory Committee (AC)
3. **Mr M. Masire**
— Chairperson,
HRD Fund Committee (HRDFC)
4. **Ms N. Mosalakatane**
— Chairperson,
HRDC Human Resource
Committee (HRC)
5. **Mr T. Monyatsi**
— Chairperson,
HRDC Financial Planning &
Budgeting, Committee Board (FPBC)



4. HUMAN RESOURCE DEVELOPMENT COUNCIL BOARD COMMITTEE MEMBERS

The following table sets out the composition of the Board Committees in line with the HRDC Act No 17 of 2013.

BOARD COMMITTEE	MEMBERS
Executive Committee (EC)	<p>Chairperson – Dr K. J. Gasennelwe</p> <p>Members</p> <ul style="list-style-type: none"> > Mr Tshekiso Monyatsi > Dr Tichatonga Josphat Nhundu > Prof. Esther Salang Seloilwe > Dr Patrick D. Molutsi > Ms Naledi Mosalakatane
Academic Planning and Development Committee (APDC)	<p>Chairperson - Dr Tichatonga J. Nhundu</p> <p>Members</p> <ul style="list-style-type: none"> > Prof. Esther Salang Seloilwe > Mrs Chedza Marobela > Dr Ricks G. Chabo > Mr Odirile B. Gabasiane > Prof Brian Mokopakgosi > Mrs Auma Selebo Jobe
Financial Planning and Budgeting Committee (FPBC)	<p>Chairperson - Mr Tshekiso Monyatsi</p> <p>Members</p> <ul style="list-style-type: none"> > Mrs Tendai Holonga – Wotho > Mr Ditlhogo Nelson Mokgethi > Mrs Magdeline Motswagole > Mr Faried Van Wyk > Dr Patrick Molutsi
Human Resource Committee (HRC)	<p>Chairperson - Ms Naledi Mosalakatane</p> <p>Members</p> <ul style="list-style-type: none"> > Mr Molefi Dirakano > Mr Lazarus Lekgoanyana > Mr Emmanuel S. Maite > Mr Josius C. Maluzo > Mr Eric T. Maetso > Ms Ivy M. Ramalohlane
Advisory Committee	<p>Chairperson - Dr Patrick D. Molutsi</p> <p>All Heads of registered Public and Private Tertiary Education Institutions</p>

Human Resource Development Fund Committee (HRDFC)

Name	Position	Name	Position
Mr M Masire	Chairperson	Ms T N Selotate	Member
Mr T Monyatsi	Chairperson FPBC	Ms S A Jobe	Member
Ms Z Isaacs	Member	Mr O Yezo	Member
Mr T M Ntobedzi	Member	Ms M Dipatane	Member
Ms B Lloyd	Member	Ms M Mookodi	Member
Mr G Wadikgosi	Member	Dr P Molutsi	Acting CEO. HRDC

5. HUMAN RESOURCE DEVELOPMENT COUNCIL EXECUTIVE MANAGEMENT



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9

Executive Management

1. Dr Patrick. D. Molutsi — Acting Chief Executive Officer
2. Mr Ralph Maganu — Director, Corporate Services
3. Ms Victoria O. Damane — Director, Funding
4. Ms Masego I. Mokubung — Acting Director Statistics, Research Development and Innovation
5. Mrs Margaret Baiketsi — Acting Director, Human Resource Development Planning (Supply)
6. Mrs Faith Tuelo — Manager, Stakeholder Relations
7. Ms Matshepo Rapulane — Director, Human Resource
8. Mr Matthews Phiri — Manager, Strategy Office
9. Ms Nancy Diphupu — Acting Director, Human Resource Development Planning (Demand)

6. HUMAN RESOURCE DEVELOPMENT PLANNING (HRDP) SECTOR COMMITTEE MEMBERS



TOURISM SECTOR COMMITTEE

Committee Chairperson - Ms Sally-Anne Follet-Smith

- | | |
|------------------------|---------------------------------|
| 1. Mr Montle Siya | 8. Mr Mpho Moruakgomo |
| 2. Mr Labane Mkgosi | 9. Dr Pumzile Magagula-Thobokwe |
| 3. Mr Rex Boy Mokandla | 10. Mr Gokgathang Timex Moalosi |
| 4. Mr Thomas Sinvula | 11. Ms Lily Rakorong |
| 5. Mr Dichaba Molobe | 12. Ms Kelebaone Maselesele |
| 6. Mr Onkemetse Joseph | |
| 7. Mr Kenson Kgaga | |

AGRICULTURE SECTOR COMMITTEE

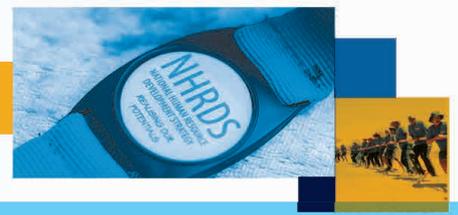
Committee Chairperson - Dr Howard Sigwele

- | | |
|----------------------------|------------------------------|
| 1. Mr Boikaego Phole | 7. Mr Renier Schuttler |
| 2. Mr Blom Lekoma | 8. Mr Ishmael Mosinyi |
| 3. Mr Mooketsi Ramatlapeng | 9. Prof Elemino B. Khonga |
| 4. Dr Ezekiel Chimbombi | 10. Mr Boweditse Masilo |
| 5. Mr Monty Chiepe | 11. Mr Japhta Radibe |
| 6. Mr W. J. Herbst | 12. Mr Abel Modimo |
| | 13. Mr Harry Elliton Johnson |

MINING MINERALS ENERGY AND WATER SECTOR COMMITTEE

Committee Chairperson - Mr Sebetlela Sebetlela

- | | |
|---|------------------------------|
| 1. Mr Charles Siwawa (Deputy Chairperson) | 7. Mr. Titus Chanda |
| 2. Mr J. Thamage | 8. Mr Kgomotso Abi |
| 3. Mr Godfrey Mudanga | 9. Professor T. Oladiran |
| 4. Mr Martin Cowley | 10. Mr Jacob Raleru |
| 5. Mr Jack Tlhagale | 11. Mrs Pauline Paledi-Mokou |
| 6. Mr Pierre du Plessis | |



HUMAN RESOURCE DEVELOPMENT PLANNING (HRDP) SECTOR COMMITTEE MEMBERS (continued)



FINANCE AND BUSINESS SERVICES SECTOR COMMITTEE

Committee Chairperson - Mr Othata Batsetswe

- | | |
|-------------------------|-------------------------|
| 1. Mr Richard Nlebesi | 8. Ms Masego Mookodi |
| 2. Mr Oabile Mabusa | 9. Mr Tony Mautsu |
| 3. Ms Nosipho Ditlhabi | 10. Mr Tirelo Leshetla |
| 4. Mr Michael Tlhagwane | 11. Ms Verily Molatedi |
| 5. Mr Mooketsi Maphane | 12. Mr Alvin Yalala |
| 6. Ms Monica Moalosi | 13. Mr Jayson Chakalisa |
| 7. Ms Zoe Isaacs | |

CREATIVE INDUSTRIES SECTOR COMMITTEE SECTOR COMMITTEE

Committee Chairperson - Mr Lesiga Phillip Segola

- | | |
|-----------------------------|-------------------------|
| 1. Mr Gaokgakala Lemmenyane | 6. Mr Dean Molebatsi |
| 2. Mr Kaelo Sabone | 7. Ms Jameela T. Gilika |
| 3. Ms Neo Matome-Harun | 8. Mr Thabiso Mashaba |
| 4. Ms Shirley Nkepe | 9. Mr Bafana Pheto |
| 5. Mr Gregory Lebekwe | 10. Mr Japhta B.Radibe |

HEALTH SECTOR COMMITTEE

Committee Chairperson - Prof. Nthabiseng Phaladze

- | | |
|-----------------------------|------------------------------|
| 1. Mr Duncan Thela | 6. Mr Moakanyi Seile |
| 2. Dr Bangwato Sikwa | 7. Dr Malaki Tshipayagae |
| 3. Dr Oathokwa Nkomazana | 8. Dr Oathokwa Nkomazana |
| 4. Dr Boipelo Mariri | 9. Dr Kelebogile Kgosibodiba |
| 5. Ms Thokgamo Boitshwarelo | |

INFORMATION AND COMMUNICATION TECHNOLOGY SECTOR COMMITTEE

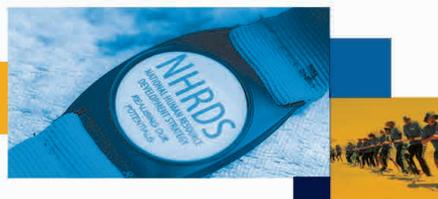
Committee Chairperson - Mr Norman Sebonego

- | | |
|----------------------------|--------------------------|
| 1. Mr Letsapa Mojaphoko | 9. Mr Billy Batlegang |
| 2. Ms Julia Batlhoki | 10. Prof. Kgomotso Moahi |
| 3. Mr Teko Monko | 11. Mr Cecil Masinga |
| 4. Mr Thato Kewakae | 12. Mr John Vasseliadis |
| 5. Ms Matshidiso Mosalagae | 13. Mr Boikanyo Chilume |
| 6. Ms Naledi Mooketsane | 14. Mr David Serojane |
| 7. Mr Pontsho Pusoetsile | 15. Dr Goeffrey Seleka |
| 8. Ms Kelebogile Rantsetse | |

3

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3 PERFORMANCE

1. INTERIM CHAIRPERSON'S REPORT



The Financial Year 2014/15 was an eventful one. During the year the Board laid the foundations for the operations of the new Board – the Human Resource Development Council as established by Act no. 17 of 2013. The new organisational structure, the new conditions of service for employees and the draft salary structure were all developed and approved for implementation. The previous employees of the Tertiary Education Council (T.E.C.) and associated projects were assessed and placed in the new organisational structure. Those who could not be continued were also given exit package negotiated with the Union. Hence as the Interim Board we are pleased to have prepared the HRDC for now focusing on its mandate – to develop the human resource capacity of Botswana.

Let me add that in the transition process, tedious as it was, every step was subjected to quality assurance external review and each step was found credible, transparent and participatory as employees and stakeholders were fully engaged. Financially, the Board adhered to International Financial Reporting Standards (IFRS) in all financial operations and service provision. The financial statements attached at the end of this Annual Report therefore depict information that is transparent, relevant and complete the state of the HRDC and smooth closure of T.E.C.

Allow me therefore, on behalf of the Board and on my own behalf to thank the Minister of Education and Skills Development, the Government of Botswana, the Management and employees of the then T.E.C and now HRDC and all of you our valued stakeholders for giving us the responsibility of serving our nation through T.E.C and HRDC. We hope we have not disappointed you. We wish the HRDC leadership, management and staff success and fruitful service delivery.

Thank you.

Dr K. J. Gasennelwe
— HRDC Interim Board Chairperson

2. ACTING CHIEF EXECUTIVE OFFICER'S REPORT



It has been a singular honour and privilege to lead the Human Resource Development Council (HRDC) as Acting Chief Executive Officer since its establishment from the then Tertiary Education Council (T.E.C.) in November 2013. During the Financial Year 2014/15, we developed HRDC establishment process tools including the organisational structure, terms and conditions of service, financial and operational manuals and above all assessed and placed employees into new jobs under HRDC. Furthermore, our focus went to addressing the main areas of mandate of this new parastatal entity. The new tools developed included regulations and processes relating to financial operations, funding policies, reimbursement of claims submitted by stakeholders and new database and information management systems. These robust new tools included an intense outreach programme as well as the annual Botswana Tertiary Education Fair (BTEF) coupled with series of consultative workshops and conferences throughout the year. Clearly, the above initiatives have tremendously assisted in positioning the HRDC as a highly relevant player in national human resource development.

Despite the challenges that usually come with the change process, we have achievements to showcase and are encouraged and happy to see our stakeholders responding positively to our engagements. We remain focused in driving Botswana's human resource agenda forward.

I am confident that our portfolio of projects will deliver value and impact positively to our nation's advancement into the post-50 years period.

As stated above, the critical aspects of the Human Resource Development Council's journey from the T.E.C. has been development of the organisational structure, new job profiles, new terms and conditions of services and indeed the melting of different groups of employees from the T.E.C., Botswana Training Authority (BOTA), Ministry of Finance and Development Planning's Employment Unit and those from the project on Human Resource Development Advisory Council (HRDAC), into one larger team of HRDC employees. This journey has been long and tedious and like all journeys there have been those who were lost on the



way. We wish them well in their new endeavours and are upbeat about the robust and carefully selected team of new employees.

We are earnestly excited. This has been a rewarding transition stage from which we are now well placed to implement the mandate of HRDC and impact on the quality of life of every citizen of Botswana. We are certainly currently scaling up our operations and implementing the National Human Resource Development Strategy (NHRDS). For instance, during the Financial Year 2014/15, we established and strengthened our close working relationships with Statistics Botswana (SB), Ministry of Labour and Home Affairs (MLHA), Ministry of Finance and Development Planning (MFDP), Ministry of Trade and Industry (MTI), Ministry of Infrastructure, Science and Technology (MIST), Directorate of Public Service Management (DPSM) and Bank of Botswana (BOB). These strategic partnerships are necessary for a coordinated and comprehensive human resource development for the country. Additionally, we have within a short space of time, carefully selected and established strategic partner relationships which among others include the European Delegation in Botswana; British High Commission; British Council; Indian High Commission; United Nations Educational, Scientific and Cultural Organisation and International Center for Technical, Vocational Education and Training (UNESCO-UNEVOC); International Labour Organisation (ILO); World Bank; Barefoot College in India; and Haaga Helia University in Finland.

As alluded to earlier, the financial year 2014/15 is also characterised by strategic partners as it is abundantly clear that they have assisted us in achieving our strategic goals. For example, through Ministries and Government departments, we have since agreed to strengthen our database coordination and enhance the effectiveness of the Labour Market Observatory (LMO). The ILO has also been instrumental in supporting training of HRDC staff in LMO Management. In supporting HRDC's efforts to reach out to every Motswana for training, the Barefoot College situated in Tilonia, India, in partnership with the Indian Government, generously supported Botswana and enrolled seven (7) illiterate and semi-literate middle aged women in a. Solar Electrification training programme was for a period of six months. These women are from remote villages of Botswana and upon arrival they will assist in setting up solar energy electrification in their villages respectively.

The strategic partnerships mentioned above have also been critical in our successful establishment of Sector Human Resource Development (HRD) Committees and their work.

The Sector HRD Committees are important instruments for transforming the country's education and training system from being supply-led to demand driven. The Committees define demand for skills by industry and in so doing, guide the priority training programmes by education and training institutions.

This is a defining feature of HRDC's mandate and the Committees have taken off on a very positive note which can only lead to improved production of human resource for Botswana's economy now and in future. In short, HRDC progress so far promises to take Botswana to higher heights in reaching the goals of National Development Plan (NDP) 11, Vision 2036 and the African Union's 2063 Vision as well as United Nations' Sustainable Development Goals (SDGs). This first HRDC's Annual Report shows the organisation's potential to be transformative to Botswana's economy in relation to human resource skills of our population.

In conclusion, I would like to take this opportunity to thank the Interim Board of HRDC for its collective wisdom. Despite the transition challenges, they continued to guide and share governance principles with the management of HRDC and the entire HRDC family as well as the HRDC's stakeholders and strategic partners. Clearly, without their collective input, HRDC would not have realised this transformation. Therefore, for this we shall be forever grateful and continue to look forward to their continued guidance, whilst we also call upon our stakeholders to come forth with their ideas on improving Botswana's human resource profile.

Thank you and God Bless

Patrick. D. Molutsi, PhD

— Acting Chief Executive Officer, HRDC
Gaborone, September 2015

3. PROJECT MANAGEMENT REPORT

During the year under review, the Human Resource Development Council (HRDC) used a more diversified approach to improve project delivery despite the transition process that came in during the financial year, now requiring staff to change project goals and objectives and aligning them to the New HRDC Act objectives and functions. Adopting the projects management approach to manage its projects has not only improved the performance of HRDC but it also contributed immensely to the capacity development and management skills that HRDC staff learned and acquired.

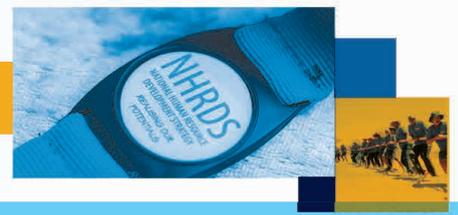
The project management approach used assisted staff to improve on business continuity, making it easier for the HRDC to take off the ground and ensure the establishment processes that staff had to go through to deliver projects was a worthwhile experience. The approach also improved the team work spirit as targets were efficiently delivered by the end of financial year.

In summary, despite change management related processes that inadequate resources as in budget and capital resources HRDC improvised on conducting the stakeholder perception survey done during the Botswana Tertiary Education Fair and Conference. HRDC continued to establish and enhance its relationship with the current stakeholders as well as educated stakeholders on the mandate of HRDC.

Furthermore, for advancement of the strategic objectives of the HRDC and Strategic Plan, the Council continued to implement the Tertiary Education Policy (TEP) by effectively engaging with stakeholders to partner in the TE system in Botswana. The activities embarked on were strategically aligned to the strategic plan and the advancing the goals of the TEP.

The messages were informative and educative hence created maximum awareness on TEP goals clearly linking them to industry topical issues such as funding, increasing access, equity, relevance and quality of programmes offered through usage of platforms such as the Fair (BTEF) and Conference of the tertiary education sector, Fairs and Exhibitions locally and around the SADC countries. The media was also a tool largely used by the Council to drive dissemination of messages.





4. RISK MANAGEMENT REPORT

The Council has well-defined risk management programme in place. It is used to monitor the process through which during its service rendering key risks are identified, categorised, assessed and then managed through sound governance structures in place. The risks that the HRDC deems significant (residual) are mitigated on and thereafter reported to the Board on quarterly basis.

Mitigations plans are also reported on and submitted to the Council to ensure that the Council (Board) is satisfied with the interventions proposed and undertaken. There are other risks that were managed through the relevant Directorates and their likelihood impact assessed by Executive Management.

During the year under review, the risks that required Council's attention ranged from mushrooming of unregistered institutions operating illegally; to non-compliance of (identified through audits and visits to tertiary education institutions) quality assured standards amongst registered tertiary institutions.

The Council (Board) is satisfied with the HRDC's risk mitigation plans and all staff members continue to monitor them on a daily basis and continue to monitor them and update the risk register on a daily basis.



5. MARKETING COMMUNICATIONS REPORT

STAKEHOLDER ENGAGEMENT

During the year under review, the Human Resource Development Council (HRDC) held a number of activities as part of its stakeholder engagement initiatives for its valued stakeholders. HRDC engaged with delegates from the University of Indonesia, briefed heads of Education and Training Institutions and the Student Representative Councils (SRCs). HRDC continued to respond to various inquiries from its myriad stakeholders. The objectives of these noble initiatives were to create maximum awareness about the mandate of HRDC and various services and programmes in offer and educate the stakeholders and collectively persuade them to buy into the services of HRDC.

STAKEHOLDER INTERACTIONS

HRDC engaged with stakeholders internally and externally using platforms such as meetings, social media, exhibitions, career fairs and educational campaigns. External stakeholders were engaged using meetings, workshops, media platforms such as radio and television and educational campaigns such as national road shows. Internal stakeholders were engaged by the acting Chief Executive Officer (CEO) by continuously appraising staff on issues of transformation and urged them to work very hard despite the challenging transformation process. He also used these platforms to solicit feedback.

The Department of Funding and Human Resource Development Planning (Supply and Demand) reached out to stakeholders using the national road show and interacted with various critical stakeholders across the country. The objectives of these meetings were to create maximum awareness about the mandate and services offered by HRDC and map out other critical stakeholders; educate stakeholders and persuade them to buy into HRDC's mandate; and encourage utilization of services such as the Human Resource Development Fund, and the Work Place Learning (WPL) and appreciate the role of Human Resource Development (HRD) Committees.



EXHIBITIONS AND FAIRS

As part of the HRDC's Marketing Communications efforts, HRDC continued to market itself through promotion of the National Human Resource Development Strategy (NHRDS) and the HRDC services offered by participating in a number of Career Fairs targeting secondary school learners. HRDC also participated in the Botswana Consumer Fair where it reached out to its myriad segmented stakeholders.

The objectives of these activities were also to raise awareness and educate stakeholders about the mandate of HRDC.





Performance

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Council continued to receive numerous requests and they were effectively dealt with in line with our CSR guidelines. HRDC made significant contributions by reaching out to the needy using various ways in a quest to offering a service geared towards enabling citizens to realise their potential. A coordinated approach was used in the selection process whose aim was geared towards ensuring that the CSR objectives are linked to the National Vision 2016 Pillars of an Educated and Informed Nation as well as a Compassionate, Just and Caring Nation. HRDC in conjunction with staff donated full school uniform clothing to Tsetsebjwe Community Junior Secondary School in a response to ‘Donate – a- Pair’ initiative proposed to HRDC. In addition to this, HRDC sponsored the Botswana Examinations Council (BEC), Excellence Awards, Maoka Community Junior Secondary School fundraising dinner to undertake a benchmarking trip to the United States of America, and to attend the University of Botswana Foundation Dinner.





BOTSWANA TERTIARY EDUCATION FAIR & CONFERENCE

In this financial year, HRDC successfully hosted the sixth Botswana Tertiary Education (BTEF) and the fourth Botswana Tertiary Education Conference (BTEC) 2015. The theme of this year's Conference (BTEC) was **'Promoting Human Resource Development and Employability through Technical and Vocational Education Training (TVET) Skills'**. The Guest Speaker of the Conference was the Hon Minister of Education and Skills Development (MoESD) Dr Unity Dow.

Since this year's BTEC was specifically addressing issues of human resource development, there were two key speakers namely Dr Fariba Darabi from the Sheffield Hallam, United Kingdom and Professor Roy du Pre who was the Technical Advisor from the HRDC. The Conference preceded on the 23rd – 25th March, 2015 and brought together different stakeholders including career guidance teachers, representatives of the youth, academics, Government policymakers, business entrepreneurs, and industry experts from all parts of Botswana and around the world.



The aim of the BTEC was to discuss ways of enhancing TVET skills for the wider population especially among the youth. Since TVET has been viewed negatively as compared to tertiary education, the BTEC sought to provide a platform for debate to address the challenge of uptake of TVET skills. Furthermore, the discussions sought to provide policy advice on measures that can sustain TVET sector as a critical factor in the overall development of Botswana's economy.

The three day conference was filled with insightful discussions and contributions from luminaries and specialists in the education sector from nations around the globe such as of the United Kingdom, South Africa and Malawi, as well as Botswana's TVET experts. The Human Resource

Development Council through the National Human Resource Development strategy; aspires that by 2022, Botswana shall be famous for its quality, skilled, well-educated motivated and productive nation. Therefore initiatives like Botswana Tertiary Education Conference are a stepping stone towards this milestone.

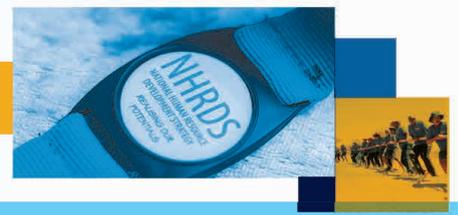


*The Botswana Tertiary Education Fair followed on the 25th March 2015 to 28th March 2015. The theme of the BTEF was **'Gateway To Realising Your Potential And Shaping Your Future'**.*

The objective of the BTEF was to offer potential learners the opportunity to actively interact and identify programmes of study offered by the different institutions exhibiting. Since its inception in 2010, the Botswana Tertiary Education Fair has become a calendar event for Botswana General Certificate of Secondary Education (BGCSE) leavers and other prospective learners interested in furthering their studies.

During the year under review, the BTEF attracted well over 21 000 prospective learners and over the four day period. The BTEF 2015 drew 72 exhibitors locally and externally from countries such as South Africa, the United States of America, Russia as well as a consortium of Canadian Universities etc.

HRDC introduced an interesting element, which is the Human Resource Development (HRD) Planning Sector Committees. There were seven exhibiting Sector Committees namely; Mining, Minerals, Energy and Water Resources, Tourism, Creative Industries, Agriculture, Health, Information and Communication Technology and Finance and Business Services. The aim of the Human Resource Development (HRD) Planning Sector Committees for showcasing their services was to educate and create maximum awareness to the prospective learners about skills in demand before making career choices and choosing programmes of study. The learners were advised to choose programmes of study aligned to Botswana's forecasted labour market demands and persuaded prospective learners to choose programmes of study stipulated as skills in demand within the exhibitions from various institutions locally and internationally.



MARKETING COMMUNICATIONS SUPPORT SERVICES

During the financial year under review, the Marketing Communications department continued to provide support services in a form of writing media releases, editing press materials, providing photography and multimedia services to departments. The department also ensured there was interim brand standardisation and quality assurance.

The department continued to monitor media plans for HRDC departmental campaigns and monitored advertisement to ensure value for money and liaised with various media houses for events coverage and promotion. The Department produced annual report, brochures, corporate profile and other departmental marketing communication publications.

MEDIA RELATIONS

HRDC continued to strengthen media relations by creating stakeholder buy in. Media reporting was also strengthened through periodic issuing of media releases. Press conferences media value tools and clipping services were carried out daily in a quest to tracking media reports and identifying the gaps.

HRDC evoked partnerships with various media houses to publicise the Botswana Tertiary Education Fair and Conference 2015. Public education platforms such as the BTV Breakfast show, Yarona FM live interviews, Radio Botswana Masa-a-sele, Live-Line, Duma FM, GabzFm Morning Show and Sunday Standard Column were used.

Social Media tools such as Facebook page, Twitter and LinkedIn were adequately used to continuously create maximum awareness about the HRDC, educate stakeholders and persuade them to buy into the mandate of HRDC.

PUBLICATIONS & MULTIMEDIA

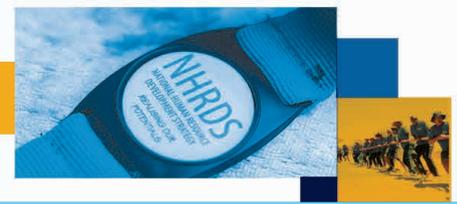
Also, during the year under review, publications and multimedia accessories were produced and some have been distributed to our segmented stakeholders and some uploaded in the HRDC website and intranet.



4

Key Results Areas (KRA) Reports

- | | | |
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4 KEY RESULTS AREAS (KRA) REPORTS

1. KEY PERFORMANCE AREA (KPA) ONE — MANAGING SUPPLY OF HUMAN RESOURCE

Re-Directing Supply of Human Resource /Skills

One of the key mandates of HRDC is to reduce the gap or mismatch between supply and demand of skills/human resource. In order to achieve this aspect of the mandate, HRDC has developed an array of tools for monitoring, evaluating and guiding both learners and training providers. That is, institutions and workplaces on the choices, they are required to make in order to be more responsive to labour market demand. This section presents interventions and performance results of what the likely outcomes will be in the supply of skilled labour from the country's training providers.

HRDC influences the direction of human resource supply in three ways:

(a) by providing policy and operational guidance to tertiary institutions and workplace learning through regular meetings, and furnishing them with information on the required priority areas for education and training. The Council has designed institutional planning tools that institutions must follow in planning their training programmes, enrolment and infrastructure.

(b) by regular dialogue in meetings and workshops with new students/learners on labour market skills signals and human resource policy direction. For example during 2014/15 HRDC met Student Representative Councils of all tertiary institutions to discuss training policy and priority skills areas three times.

In addition, through the annual Botswana Tertiary Education Fair and Conference, the Council helped new students to make appropriate career choices by organising "Career Clinics" that were addressed by leaders of the different sector committees in Agriculture, Tourism, ICT, Creative Industries, etc. In March 2015, HRDC held a Conference on the relevance of TVET Skills in Botswana's economy. This Annual Tertiary Education Fair is another forum highly valued and attended by over 21,000 tertiary potential students/learners.

(c) by working closely and collaboratively with the Department of Tertiary Education Financing (DTEF), especially in selecting priority areas for sponsorship, HRDC is influencing the direction of future human resource/skills supply to meet the labour market needs of Botswana.

Student Enrolment

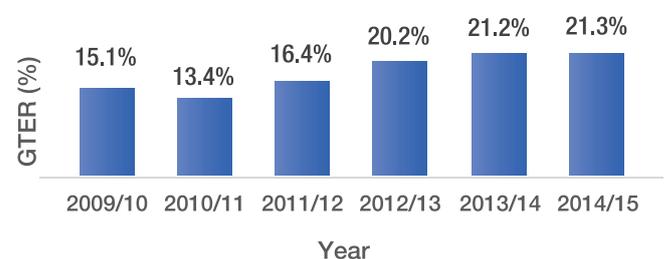
A total of 60 583 students were enrolled in TE Institutions for the academic year 2014/15. As the following table shows, a large proportion of learners were enrolled in undergraduate programmes, i.e Bachelors degree, Diploma and Certificate programmes. Consequently there is a marked low number of students studying postgraduate and doctoral programmes. It should also be noted that during the year under review, female students accounted for 57.5% of the student population.

Table One. Student Enrolment by Type of Qualification and Gender - 2014/15

Qualification Level	Female	Male	Total	% Female
Certificate	1016	1422	2438	41.67
Diploma	11809	7839	19648	60.10
Bachelors Degree	18898	14308	33206	56.91
Masters Degree	982	790	1772	55.42
Master of Philosophy (MPhil)	55	59	114	48.25
Post Graduate Diploma (PGD)	283	179	462	61.26
Doctor of Philosophy (PhD)	27	67	94	28.72
Professional Courses	1761	1088	2849	61.81
Grand Total	34831	25752	60583	57.49

Gross Enrolment Rate at Tertiary Education level has increased significantly from 15.1% of the population aged 18-24 in 2009/10 to 21.3% in 2014/15. This shows that the aggressive move to train as many young Batswana as possible is slowly being realised as shown in Figure One below.

Figure One. Gross Tertiary Enrolment Rate for the period 2009/10 to 2014/15



KEY PERFORMANCE AREA (KPA) ONE

— MANAGING SUPPLY OF HUMAN RESOURCE (continued)

Student Enrolment by International Standard Classification of Education (ISCED)

As the following tables show, a large proportion of learners are going into science and science related fields of study, engineering manufacturing & construction and into Business and Law fields than they used to do in the past. As a result there is a marked decline in the numbers studying Humanities, Social Science and Education.

Although the latter fields of study are still relevant and contributing to human and social development of the country, the main training priorities as guided by the labour market forces, revolve around science and science related, engineering manufacturing & construction and business, financial and law areas. The statistics in this Annual Report 2014/15, show that there is a positive trend towards producing priority skills for the national needs and labour market priorities.

Table Two. Student enrolment by (ISCED) Broad Classification

ISCED Broad Group	2012/13	2013/14	2014/15
Agriculture	1324	1139	940
Education	7547	7883	7726
Engineering, Manufacturing & Construction	4834	6218	7297
Health and Welfare	4459	3944	4100
Humanities and Arts	3942	4234	3987
Science	8383	10037	9229
Services	1852	3154	3726
Social Sciences, Business & Law	25106	23761	23408
Unknown		69	170
Grand Total	57447	60439	60583





KEY PERFORMANCE AREA (KPA) ONE

— MANAGING SUPPLY OF HUMAN RESOURCE (continued)

Enrolments by ISCED Field of Education

Between 2009/10 and 2014/15 enrolments show a trend where combined science fields that is pure science, agriculture, health, science and technology together with business and law categories attracted close to 70% of students in the tertiary sector leaving only 30% to social sciences, humanities and education fields.

For instance, out of a total of 60,583 students undertaking tertiary education in 2014/15, some 25% of these were in business and law, some 9229 (15%) in science, followed by engineering, manufacturing and construction at 7297 (12%). Table Three below shows the enrolment trend according to ISCED field of education.

Table Three. Tertiary Education Student Enrolment by ISCED Classification and Academic Year: 2009/10 – 2014/15

	ISCED Field Of Education	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Engineering, Manufacturing And Construction	Architecture and Building	1009	997	776	1417	2527	2694
	Engineering & Engineering Trades	1635	728	1368	1954	2470	3250
	Manufacturing and Processing	262	256	357	568	1221	1353
	Total	2906	1981	2501	3939	6218	7297
Science	Computing	6746	2620	6378	7531	8175	7223
	Life Sciences	24	68	21	21	1558	1602
	Mathematics & Statistics	35	18	141	104	79	112
	Physical Science	1256	1150	1332	1341	192	292
	Total	8061	3856	7872	8997	10004	9229
Social Sciences, Business And Law	Business and Administration	12914	14307	15570	18038	16863	14780
	Journalism & Information	649	482	695	1212	690	707
	Law	576	662	810	884	1488	1298
	Personal Services	95	73	75	82	0	0
	Social & Behavioural Sciences	2291	2853	5259	4770	4720	6623
	Transport Services	0	0	0	19	0	0
Total	16525	18377	22409	25005	23761	23408	



KEY PERFORMANCE AREA (KPA) ONE

— MANAGING SUPPLY OF HUMAN RESOURCE (continued)

Graduates at Tertiary Education level

The HRDC continually collects graduation statistics from institutions and use it to measure the performance and efficiency of the sector.

Table Four. Tertiary Education Graduates from 2009 – 2014

Year	2009	2010	2011	2012	2014
Graduates	7306	8454	7695	7983	15594

The number of graduates ranged from 7306 in 2009 to 7983 in 2012. In 2014 the system recorded 15 594 graduates. This high number, which is almost double the 2012 one, was a result of the government initiative in 2007/8 to sponsor students in local private tertiary education institutions. The following tables show the distribution of graduates by type of institution, program and level of qualification as well as by ISCED Broad Group respectively.

Table Five. Graduates by Type of TEI and Qualification Level – 2014

Type Of Institution	Certificate	Diploma	Bachelor's Degree	Master's Degree	MPhil	PhD	Prof	Unknown	Grand Total
Colleges of Education		856							856
Institute of Health Sciences		516							516
Other Colleges	311	545	683	149			870		2558
Private Institutions	366	3524	2587				222		6699
Private University	39	189	434						662
Public University	0	590	2815	177					3600
Technical Colleges	393	239						71	703
Grand Total	1109	6459	6519	326	4	14	1092	71	15594

Table Six. Graduates by ISCED Broad Group and Qualification Level – 2014

ISCED Broad Group	Certificate	Diploma	Bachelor's Degree	Master's Degree	MPhil	PhD	Prof	Unknown	Grand Total
Agriculture		47	267	11					325
Education	315	1173	1151	40		9			2688
Engineering, Manufacturing & Construction	207	549	237	1		1			995
Health & Welfare	9	1613	89	10					1721
Humanities & Arts	14	478	1272	14					1778
Science	68	441	1196	25		3			1733
Services	118	275	454	8	4	1			860
Social Sciences, Business & Law	378	1883	1853	217			1092		5423
Unknown/Unclassified								71	71
Grand Total	1109	6459	6519	326	4	14	1092	71	15594



2. KEY PERFORMANCE AREA (KPA) TWO — DETERMINATION OF SKILLS IN DEMAND & LABOUR MARKET DYNAMICS

The HRDC has initiated the process of national and sector-based Human Resource Development (HRD) Planning to address the problems of lack of and mismatch of skills in the economy. The work of national and sector-based planning is guided by HRDC Sector Committee, comprising representatives of the respective sectors that hold significant knowledge and experience in the sector to guide its development.

The national and Sector HRD Plans developed as a consequence, is to establish a stronger alignment between the country's human resource development and national development strategy, especially regarding economic diversification and enhanced productivity of the labour force. The HRD Plans are a tool through which the Ministry of Education and Skills Development (MoESD), employers and the individual education and training institutions agree

on the supply of priority training areas and graduates from programmes as identified and recommended by the HRDC Sector Committees. Another key role that the HRD Plans play is in the area of career guidance at all levels.

Twelve key sectors have preliminarily been identified for HRD Planning purposes based on their national strategic importance and growth potential to meet economic diversification goals. Additional Sector HRD Plans will continue to be identified and included in the human resource planning process depending on their assessed strategic importance to national development goals. So far, HRDC has established seven (7) sector committees of which four (4) have already produced draft Sector HRD Plans. In addition, sector committees have produced a list of priority skills areas in their respective sector as summarised in Table Five below.

Table Seven. Priority Skills Areas by the seven sectors

Sector	Mining, minerals, energy and water resources	Tourism	Agriculture	Creative Industries	Health	Information Communication and Technology	Finance and Business
No. of Indicative Skills Identified	26	16	62	23	29	18	12

During September 2015 HRDC will establish additional five (5) sectors in Research, Innovation, Science and Technology, Manufacturing, Transport and Logistics, Public Sector and Education and Training. These will bring the total number of sector committees to twelve by the end of 2015/16 financial year.



3. KEY PERFORMANCE AREA (KPA) TWO — DETERMINATION OF SKILLS IN DEMAND & LABOUR MARKET DYNAMICS (continued)

The Job Vacancy Database (JVD) Monitoring

To enable the development of Sector HRD Plans, HRDC has adopted several tools to signal which jobs are most needed in the economy and at what levels. To this end, the HRDC maintains a Job Vacancy Database (JVD) which provide information on the most advertised occupations in the country. Through tracing and collection of information on the job vacancy advertisement made in the local newspapers, the information is classified into 9 major fields of occupations in accordance with the Botswana Standard Classification of Occupations and 17 industrial classes in accordance with the Botswana Standard Industrial Classification as shown below.

Occupations

- | | |
|---|---|
| 1. Legislators, Administrators & Managers | 6. Skilled Agricultural & Related Workers |
| 2. Professionals | 7. Craft & Related Trade Workers |
| 3. Technicians & Associate Professionals | 8. Plant & Machine Operators & Assemblers |
| 4. Clerks | 9. Elementary Occupations |
| 5. Service Workers, Shop & Market Sales Workers | |

Industries

- | | |
|---|---|
| 1. Agriculture, Hunting & Forestry | 11. Public Administration |
| 2. Fishing | 12. Real Estate, Renting & Business Activities |
| 3. Mining & Quarrying | 13. Education |
| 4. Manufacturing | 14. Health & Social Work |
| 5. Electricity, Gas and Water Supply | 15. Other Community, Social & Personal Services |
| 6. Construction | 16. Private Households with Employed Persons' |
| 7. Wholesale & Retail Trade | 17. Foreign Missions, International Organisations |
| 8. Hotel & Restaurants | |
| 9. Transport Storage and Communications | |
| 10. Financial & Intermediaries | |

Following are some of the results obtained from the JVD from January 2012 to December 2014.

Job Vacancy Database (JVD) Analysis

It should be noted that, for the selected industries, the most sort after occupations are: technicians and associate professionals, professionals & legislators, administrators and managers. Occupations in crafts and related trade work are most sought out in Manufacturing, Electricity, Gas & Water and Transport sectors.



4. KEY PERFORMANCE AREA (KPA) TWO — DETERMINATION OF SKILLS IN DEMAND & LABOUR MARKET DYNAMICS (continued)

Figure Two. Electricity, Gas & Water Supply

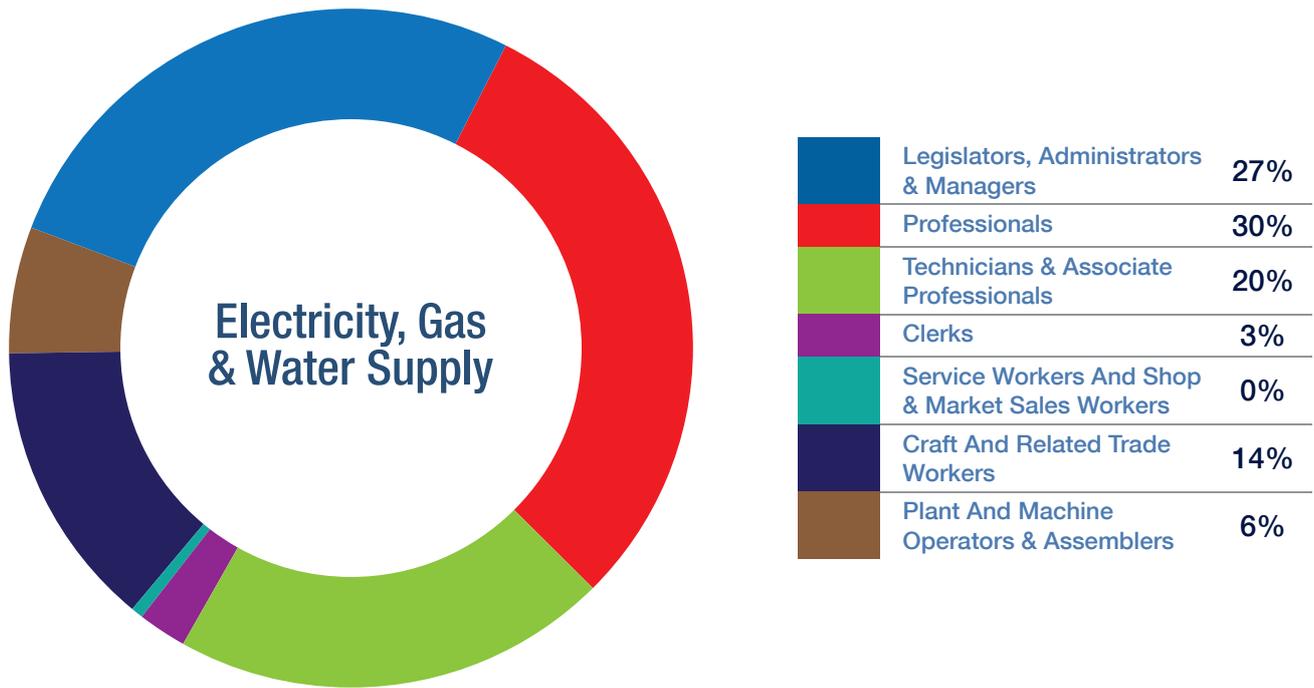
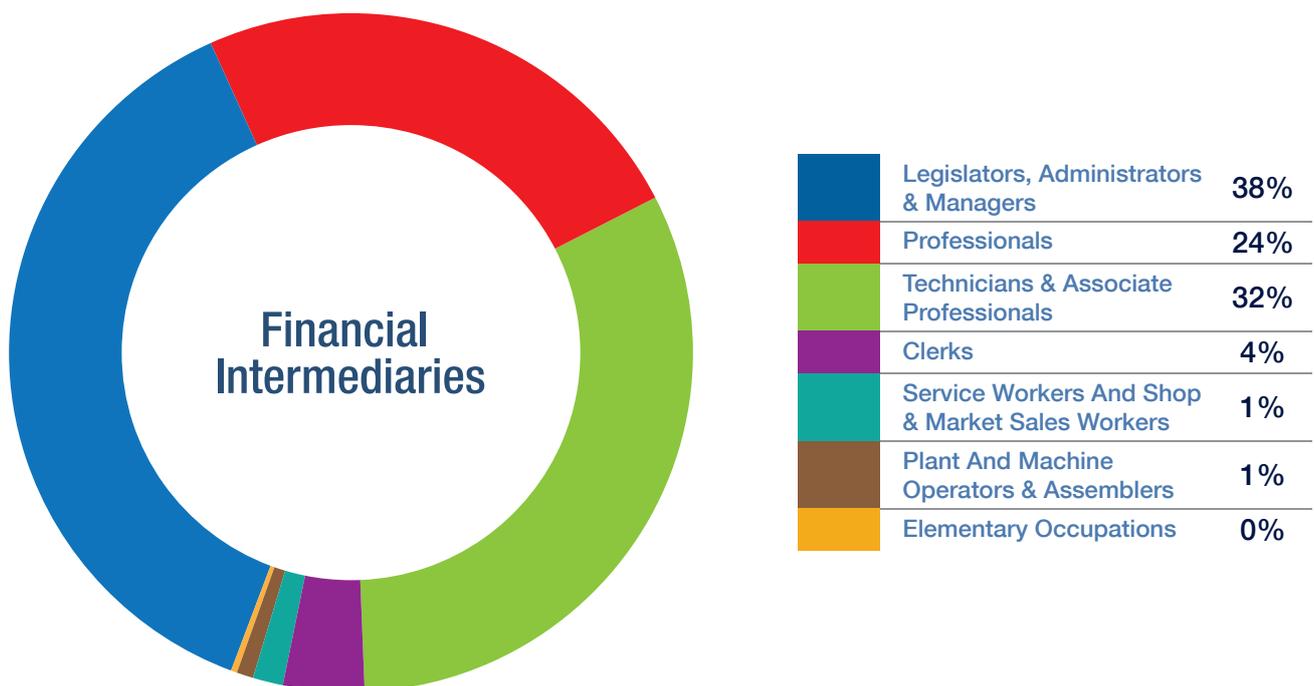


Figure Three. Financial Intermediaries



5. KEY PERFORMANCE AREA (KPA) TWO — DETERMINATION OF SKILLS IN DEMAND & LABOUR MARKET DYNAMICS (continued)

Figure Four. Manufacturing (includes repair of machinery and equipment)

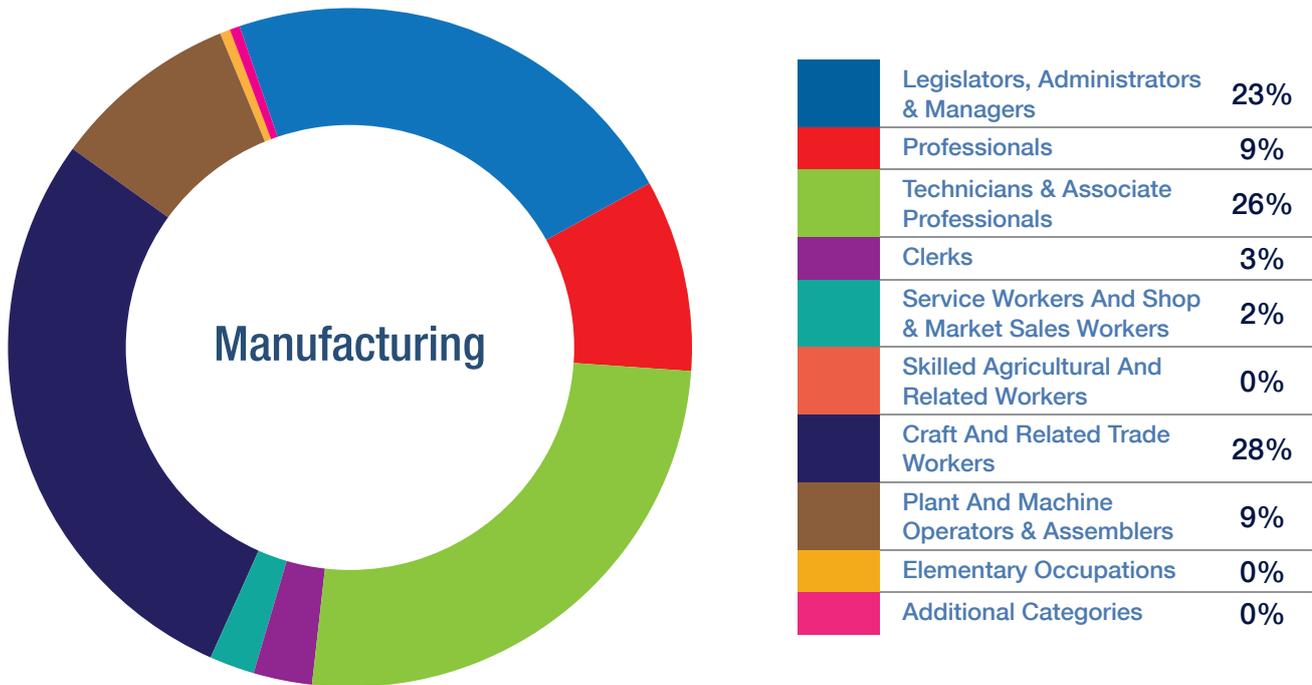
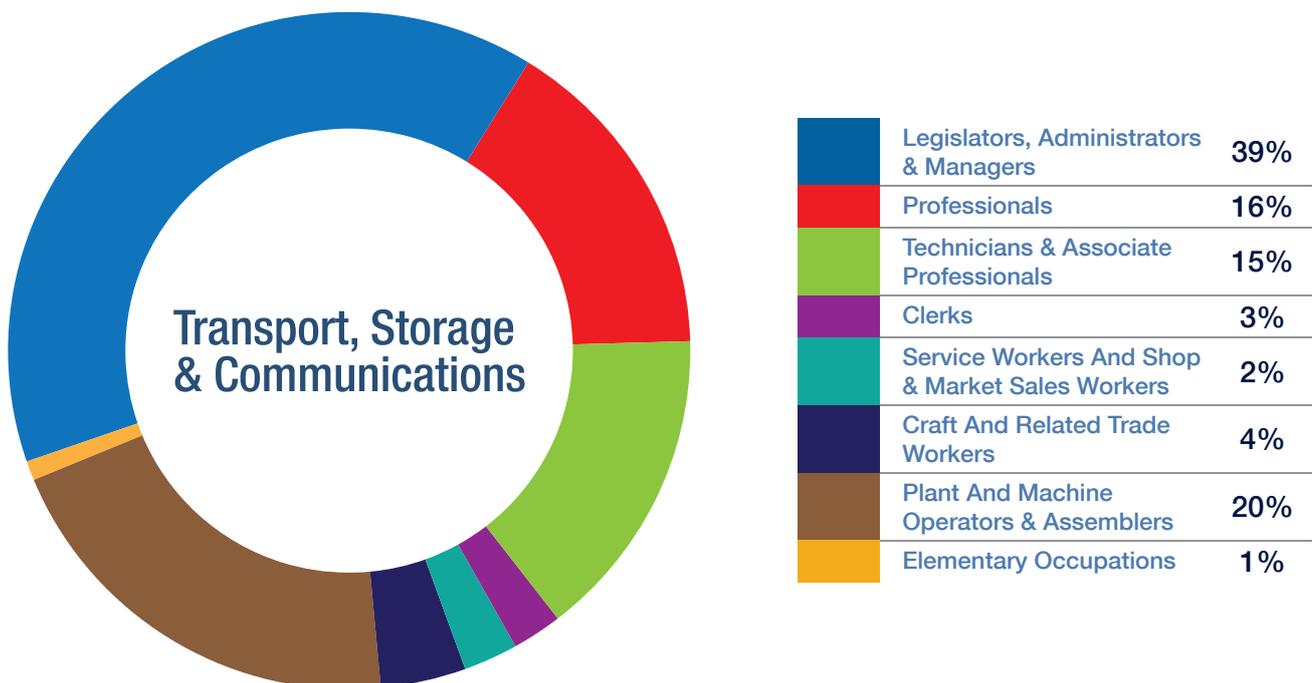


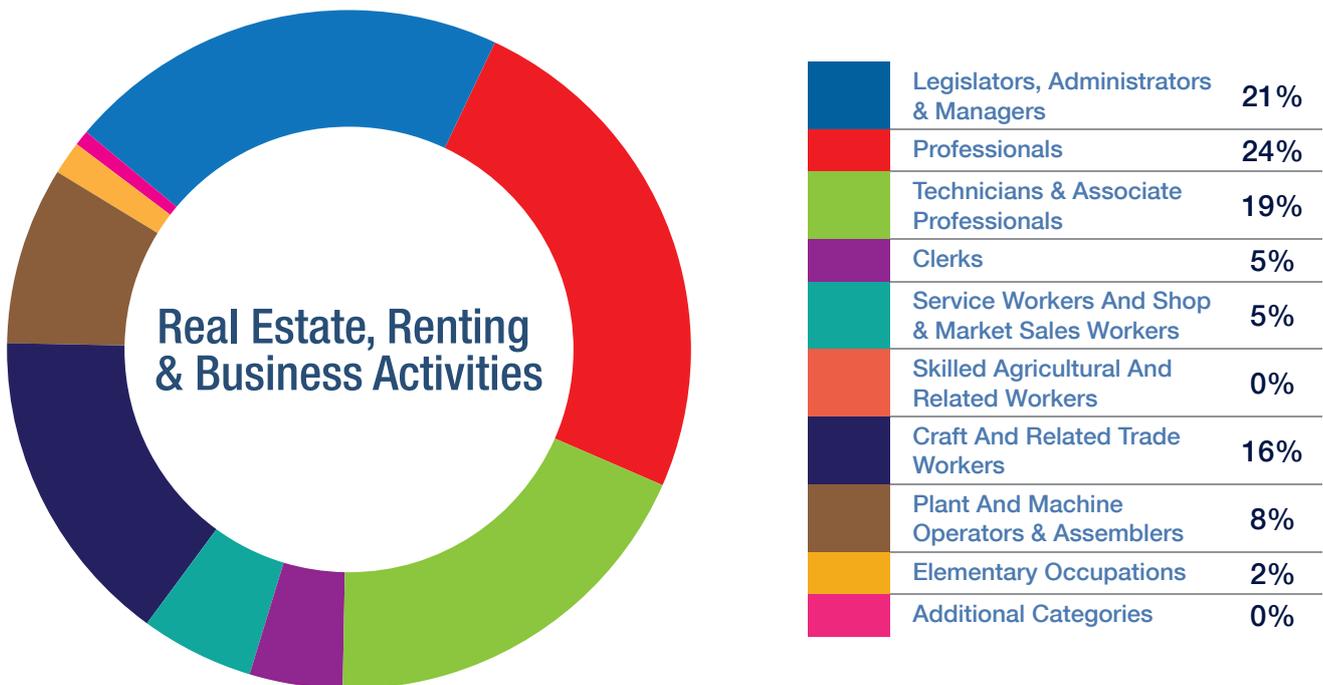
Figure Five. Transport, Storage and Communications





6. KEY PERFORMANCE AREA (KPA) TWO — DETERMINATION OF SKILLS IN DEMAND & LABOUR MARKET DYNAMICS (continued)

Figure Six. Real Estate, Renting & Business Activities



The process of sector planning is supported by several human resource development signaling tools, two of which are discussed below. Namely; Job Vacancy Analysis (JVA), Labour Market Observatory (LMO). Sector HRD Planning together with other critical processes including the Labour Market Observatory (LMO) enables HRDC to observe the labour market and advice accordingly.

Labour Market Observatory (LMO)

The LMO is an additional tool that assists HRDC to monitor labour market changes. The tool was designed out of concern that the collection, analysis and dissemination of labour market data was uncoordinated, resulting in duplication of effort and wastage of resources. There was also an increasing trend of trained people who were finding it difficult to find employment.

A lot of interaction and linkages have been established with key players in the labour market such as the Ministry of Labour and Home Affairs, Statistics Botswana, Directorate of Public Service Management and others, to work together in ensuring that reliable information on the different aspects of the labour market trends is available on timely basis. A website has also been developed to disseminate labour market information. Whilst a lot of work and effort has gone into revamping the LMO website which is now operating well, more work needs to be done to update the LMIS. The project is a priority for 2015/16 financial year.

7. KEY PERFORMANCE AREA (KPA) THREE — FUNDING/FINANCING OF TERTIARY EDUCATION AND TRAINING

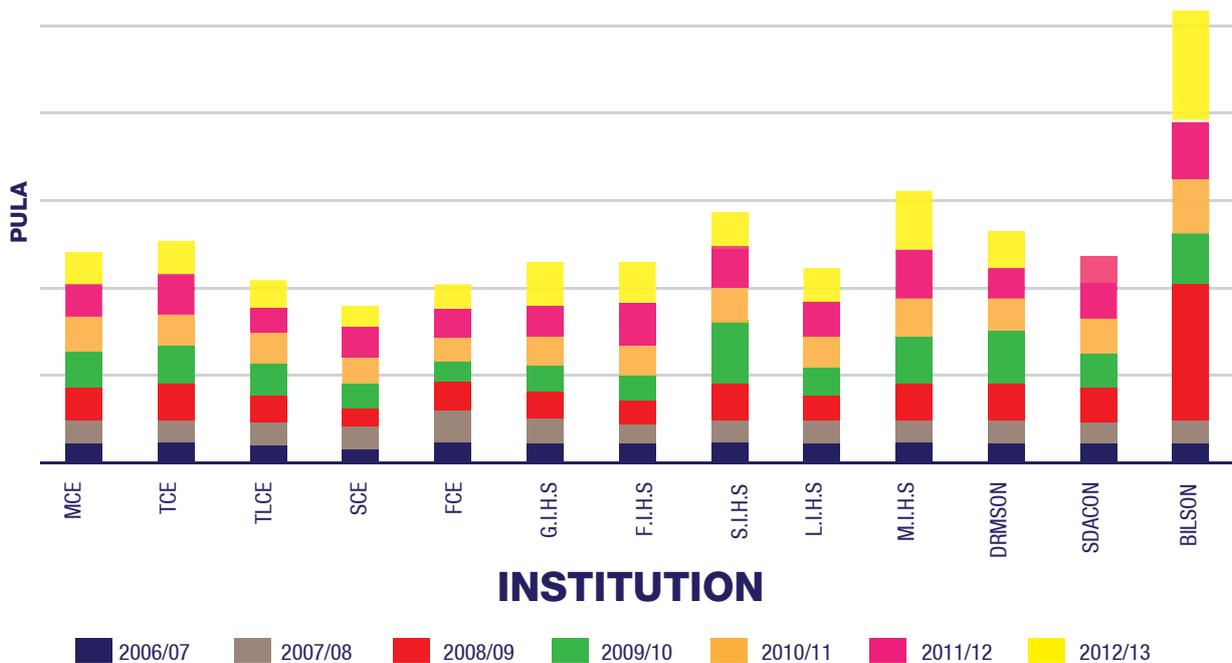
HRDC has continued the work that began under the now defunct Tertiary Education Council (TEC) on the reforms of the funding of public tertiary education institutions. During 2014/15 the Council made proposals to Government to establish the Public Tertiary Education Institutions Fund (PTEIF) and associated regulations as prescribed under Section VII of the HRDC Act No. 17 of 2013 for the purpose of funding public tertiary education institutions under one roof to avoid fragmentation.

During the year under review, HRDC continued with unit cost calculations in Tertiary Education Institutions (TEIs). Figure Seven below shows a summary of unit cost results over the years for colleges of education and Health Training Institutes.

The figure above illustrates different levels of unit costs across institutions and within an institution over the years under review. It also shows a comparison of unit costs across similar institutions over the years. Similarly, the figure below show institutional enrolments during the years of review.

The two figures validate the notion of economies of scale in education as it is clear that institutions with lower enrolments exhibit higher programme unit costs. Hence the two figures appear to be inverse.

Figure Seven. Unit Cost Trend Analysis



Source: Unit Cost Studies reports 2006/07 – 2012/2013



8. KEY PERFORMANCE AREA (KPA) THREE — FUNDING/FINANCING OF TERTIARY EDUCATION AND TRAINING (continued)

These studies have produced a useful database on costs and efficiencies/inefficiencies in Botswana's tertiary education system. What can also be deduced from the analysis is the enrolment levels versus the unit costs.

This is the issue of economies of scale. Unit cost computations are also done to create the requisite data for implementation of the teaching fund component of the envisaged funding model.

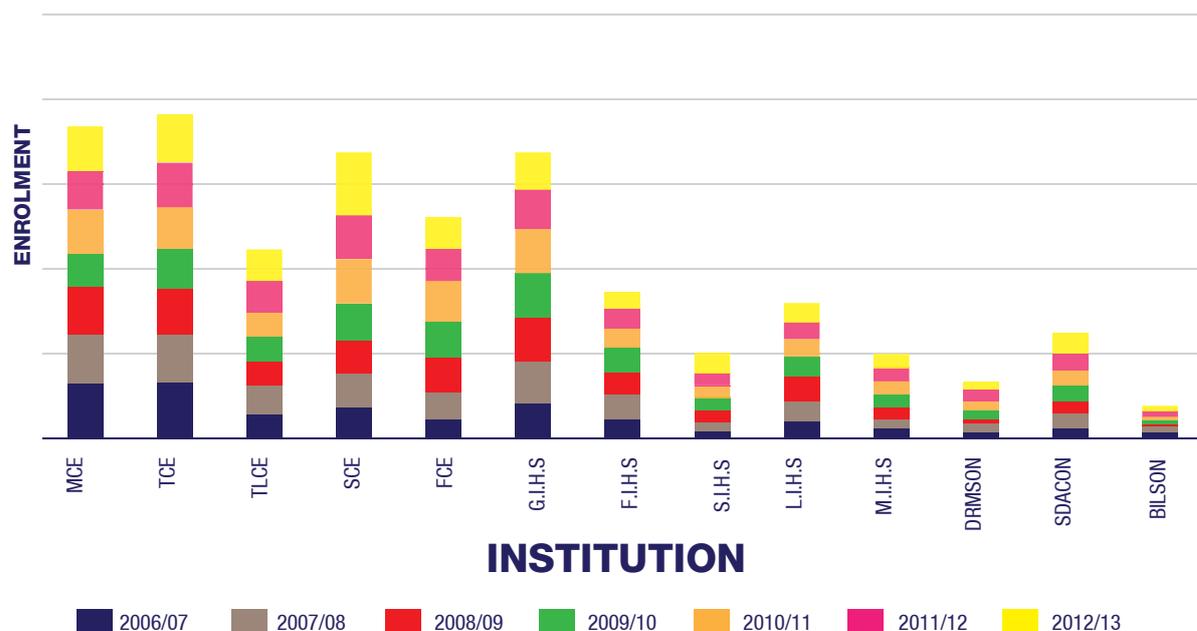
HRDC has also started work on the reform of the tertiary education student financing as directed by Cabinet in 2010 and required under the HRDC Act No. 17 of 2013. It has been agreed that the major services required to improve the efficiency of student finance would be through the outsourcing method.

These services include fund administration and fund management. The process of appointing a fund administrator was underway at the end of March 2015.

The rest of the reforms involving appointment of a Fund Manager, development of a new policy on student funding and regulations governing the operations of the Tertiary Education Sponsorship Fund (TESSF) are expected to be completed by the end of 2015/16 Financial Year.

The management of the Human Resource Development Fund (formerly the Vocational Training Fund) was transferred from the Botswana Qualifications Authority (BQA) to the Human Resource Development Council (HRDC) in April 2014 in accordance with the provisions of the HRDC Act. The HRDC continues to review and revise the Human Resource Development Fund (HRDF) regulations in order to make the HRDF more responsive to the wider human resource training needs and to complement general government funding for human resource development. During the year under review, the revised Levy Order has been submitted to the Ministry of Education and Skills Development (MoESD) for gazette to pave way for its ultimate implementation.

Figure Eight. Student Enrolment



Source: Unit Cost Studies reports 2006/07 – 2012/2013

9. KEY PERFORMANCE AREA (KPA) FOUR — ESTABLISHMENT OF HRDC AND TRANSITION PROCESSES

TRANSITION AND MIGRATION PERIOD

The year under review has been a busy one for the staff of the newly established Human Resource Development Council (HRDC). Staff signed new contracts in April, signaling a period of settling in and redefinition of the organisation. It also heralded a time of great relief for staff who for the previous two years had to endure uncertainty owing to the prolonged transition process.

It is worth noting that, with the new structure in place, the next process was to migrate existing staff into new positions and begin the process of filling in the vacancies. The Department of Human Resource spent a good part of the year dealing with transition related issues and the recruitment of new staff to populate the new structure. The challenges faced included migrating staff from Botswana Qualifications Authority (BQA) to HRDC and vice versa, and seconded staff from the Ministry of Finance and Development Planning (MFDP) and Ministry of Education and Skills Development (MoESD) who had differing terms of employment. Though a source of consternation, it was however successfully concluded.

The staff migration process was concluded (albeit with a few officers opting for the exit package), followed by all remaining staff signing new Performance Contracts. These are to be reviewed on a quarterly basis using the Performance Management System in place.

HUMAN RESOURCE PROCESSES

As would be understood, to establish a new organisation involves developing a new organisational structure, new job profiles, new terms and conditions of services, new salary structure and selection and placement of employees in the jobs and salaries. The larger part of the Financial Year 2014/15 was spent on these processes which were both complex and time consuming for the Interim Board and employees.

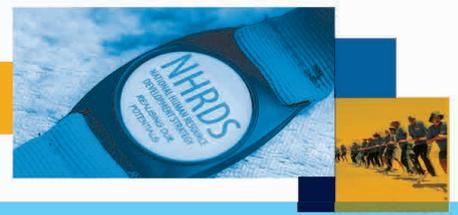
TRAINING AND DEVELOPMENT

During this period there has been no new long term training, save for those staff already on long term training which was continued. The Training Plan for 2014/15 financial year was put on hold and will be reviewed together with upcoming performance reviews. The Department of Human Resource arranged capacity building programmes for staff that were relevant to the new mandate. Some of these programmes were local while others were external.



At the end of the financial year 2014/15 the following deliverables were in place:

1. A new organisational structure
2. New terms and conditions of service
3. Draft Salary structure
4. A due diligence process had been done
5. Some 70 employees from TEC had been assessed and ready to be placed into the new jobs and salary structure
6. Grading of HRDC by the Wages Policy Committee (WPC) had been done
7. A new budget reflecting new mandate had been developed and submitted to Parliament.
8. The previous advisory Council – HRDAC established in 2009 to assist in the establishment of HRDC and Botswana Qualification Authority (BQA) had finished its assignment and was dissolved in December 2014.



10. KEY PERFORMANCE AREA (KPA) FIVE — MANAGING HRDC'S BUDGET, FINANCIAL STATEMENTS AND AUDITED REPORT

As reported earlier, HRDC is a much bigger entity in terms of mandate and staff establishment. In order to deliver on the expanded mandate, HRDC had to request for more financial resources from Government and other stakeholders. In particular, the significant change in the resourcing of HRDC came from the 10% Administration fee for the Human Resource Development Fund which amounted to P29 million in 2014/2015 Financial Year.

The Government Grant also increased from around P25 million in the previous year to P29 million. The total budget for the year was therefore P82.7 million.

The attached financial statements and audited report presents the budget breakdown into the projects and activities described in the rest of this report.

MAJOR ITEMS OF EXPENDITURE IN 2014/2015

The larger part of this knowledge based organisations went to personnel emoluments and related items at P29.6 million or 36% of the total budget. As a result of the ongoing transaction, a total of P9.9 million was provided as restructuring costs. The second major expenditure was on Consultancy Services which increased from P1 million to P2.7 million as well as Research and Development costs which increased from P0.55 million in the previous Financial Year to P1 million in the year under review. These were small grants given to Education and Training Institutions to promote research at institutional level.

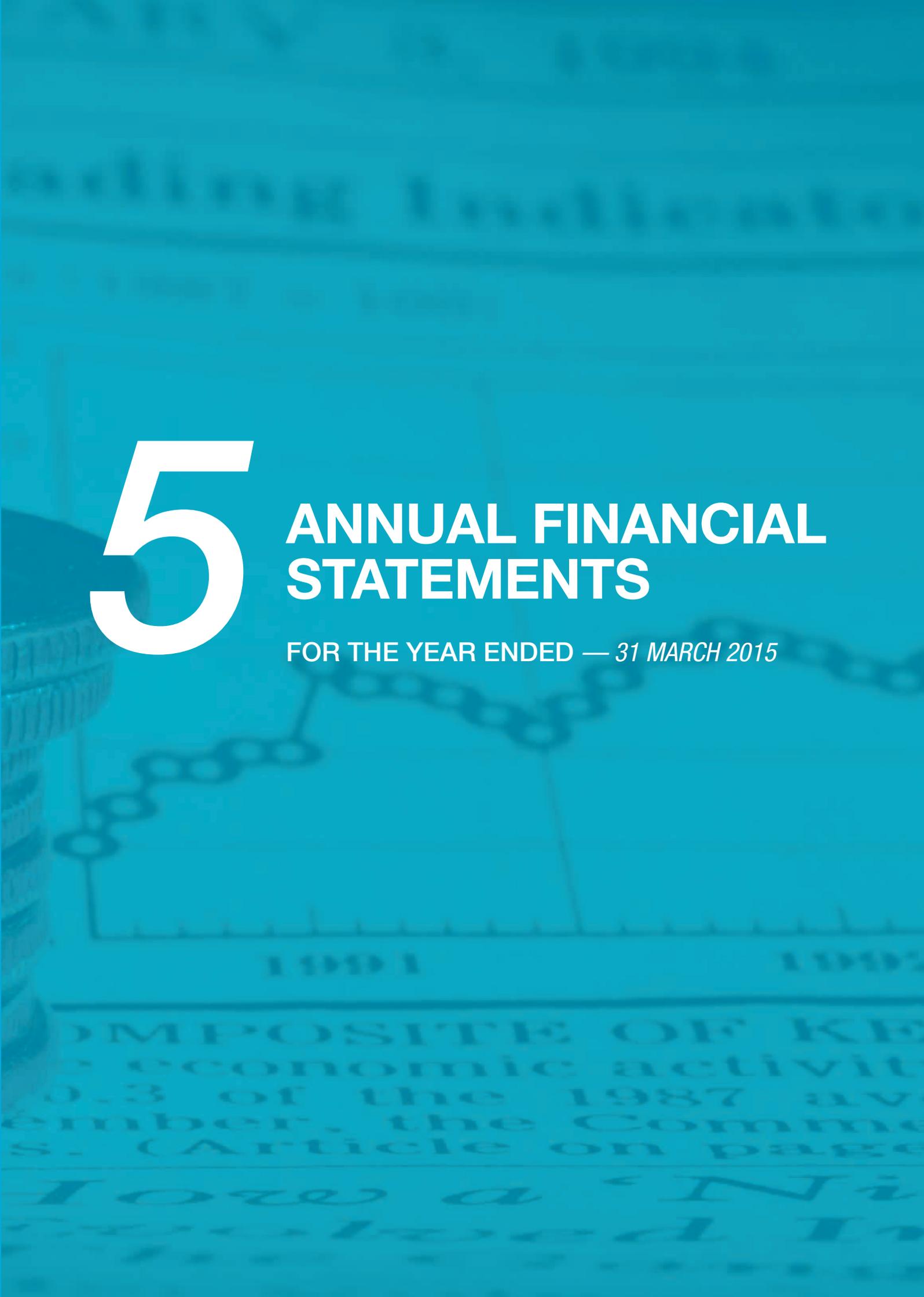
GOVERNANCE

Policies were reviewed in line with the new mandate and the governance structures. These were the Finance, Procurement and Asset Management Policies.

P82.7 million
2014/15 Total Budget

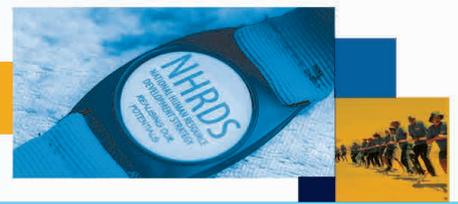
P9.9 million
Restructuring Costs



The background is a blue-tinted image of a document. It features a line graph with a series of data points connected by lines, showing an overall upward trend. The x-axis of the graph is labeled with the years '1991' and '1992'. Below the graph, there is a section of text that is partially legible, including the words 'COMPOSITE OF KE', 'economic activity', '0.3 of the 1987 av', 'ember, the Comm', and 's. (Article on page'. At the bottom, there is a heading 'How a 'Ni' followed by 'Created To' and 'the'.

5 ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED — 31 MARCH 2015



5

ANNUAL FINANCIAL STATEMENTS

NATURE OF BUSINESS

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

Report of the Members of the Board

- > Dr K J Gasennelwe — (Chairperson)
- > Mr R Matlhare
- > Mr T Monyatsi
- > Mrs M Moremong - Gobe
- > Mr A Keitseng
- > Mr T P Buisanyang
- > Mr C Dekop
- > Mr F J Van Wyk
- > Ms N Mosalakatane
- > Mr C Morupisi
- > Professor T Fako
- > Mr A Modungwa
- > Mr M Masire

Acting Chief Executive Officer

Dr P Molutsi

HRDC
HUMAN RESOURCE DEVELOPMENT COUNCIL

Registered Office

Plot 60113
Block 7, Ext 48, Gaborone West
Private Bag BR 108
Gaborone



Independent Auditor

Ernst & Young
Firm of Chartered Accountants
Plot 22, Khama Crescent,
Gaborone





HUMAN RESOURCE DEVELOPMENT COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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> Statement Of Financial Position	77
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> Statement Of Cash Flows	79
> Accounting Policies	80 – 90
> Notes To The Financial Statements	91 – 103
> Supplementary Information	104

HUMAN RESOURCE DEVELOPMENT COUNCIL **STATEMENT OF RESPONSIBILITY BY THE BOARD MEMBERS FOR THE YEAR ENDED 31 MARCH 2015**

The Board members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Human Resource Development Act of 2013.

The Board members are also responsible for the Council's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Board members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

Independent 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.

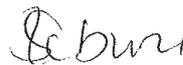
Regular meetings are held between members of the Board, management and independent auditors to review matters relating to internal controls and financial reporting. The independent auditors have unrestricted access to the members of the Board.

The financial statements have been prepared on the going concern basis, since the Board members have reviewed the Council's budgets and cash flow forecasts for the year to 31 March 2016 and have every reason to believe that the Council has adequate resources in place to continue in operation for the foreseeable future, have continued to adopt the going concern basis in preparing the financial statements.

The financial statements set out on pages 76 to 103 and supplementary information on page 104 were approved by the members of the Board on 28th July 2015 and are signed on its behalf by:



Board Chairperson



Board Member



Building a better
working world

Firm Of Chartered Accountants
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Plot 22. Khama Crescent
PO Box 41015
Gaborone, Botswana

Tel: +267 397 4078 / 365 4000
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Registration No: 10829
VAT No: PO3625401112
www.ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUMAN RESOURCE DEVELOPMENT COUNCIL

Report on the Financial Statements

We have audited the accompanying financial statements of the Human Resource Development Council (Formally Tertiary Education Council), which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 76 to 103.

Board members' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of, the financial position of Human Resource Development Council as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Human Resource Development Act of 2013.

Other Matter-Supplementary information

Without qualifying our opinion we draw attention to the fact that the supplementary information set out on page 104 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly do not express an opinion thereon.

Ernst & Young
Practicing Member: Thomas Chitambo (20030022)
Certified Auditor

Date: 27/04/15
Place: Gaborone

HUMAN RESOURCE DEVELOPMENT COUNCIL
**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2015**

	NOTE	2015	2014
		P	P
Revenue	1	66,204,135	38,833,778
Other income	3	2,792,995	2,361,865
Operating expenses		(61,952,674)	(40,889,088)
Deficit from HRDAC	2.2	(85,555)	-
Operating surplus	2	6,958,901	306,555
Finance income	4	1,091,298	883,324
Finance costs	4.1	(113,373)	(422,226)
Surplus for the year		7,936,826	767,653
Other comprehensive income		-	-
Total comprehensive income for the year		7,936,826	767,653



HUMAN RESOURCE DEVELOPMENT COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	NOTE	2015	2014
		P	P
Assets			
Non-Current Assets			
Property and equipment	5	43,294,285	43,210,551
Intangible assets	6	155,823	259,594
		43,450,108	43,470,145
Current Assets			
Trade and other receivables	11	10,232,343	3,423,527
Cash and cash equivalents	8.1	29,038,633	25,851,203
		39,270,976	29,274,730
Total Assets		82,721,084	72,744,875
Equity and Liabilities			
Equity			
Retained surplus		10,497,315	2,560,490
Non-Current Liabilities			
Deferred income	9	43,450,107	43,470,145
Current Liabilities			
Provision for restructuring	10.2	9,989,048	-
Trade and other payables	10	18,784,614	24,704,110
Bank overdraft	8.2	-	2,010,130
		28,773,662	26,714,240
Total Equity And Liabilities		82,721,084	72,744,875

HUMAN RESOURCE DEVELOPMENT COUNCIL
**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2015**

	Retained Surplus	Total Equity
	P	P
Balance at 1 April 2013	1,792,837	1,792,837
Total comprehensive income for the period	767,653	767,653
Balance at 31 March 2014	2,560,490	2,560,490
Balance at 1 April 2014	2,560,490	2,560,490
Total comprehensive income for the period	7,936,826	7,936,826
Balance at 31 March 2015	10,497,316	10,497,316



HUMAN RESOURCE DEVELOPMENT COUNCIL

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2015

	NOTE	2015	2014
		P	P
Cash flows from operating activities			
Surplus for the year		7,936,826	767,653
Depreciation	5	2,661,410	2,244,144
Unrealised foreign exchange gain		(122,580)	41,173
Provision for restructuring		9,989,048	-
Amortisation of intangible assets	6	131,584	117,722
Amortisation of deferred income	9	(2,792,995)	(2,361,865)
Finance costs		113,373	422,226
Finance income		(1,091,298)	(883,324)
		16,825,368	347,729
Changes in working capital items			
Increase in trade and other receivables		(6,795,218)	(2,107,761)
Decrease in trade and other payables		(5,837,530)	(1,912,093)
Cash from / (utilised in) operating activities		4,192,620	(3,672,125)
Finance costs	4.1	(113,373)	(422,226)
Finance income	4	1,091,298	883,324
Net cash from/(utilised in) operating activities		5,170,545	(3,211,027)
Cash flows from investing activities			
Additions to property and equipment	5	(2,745,144)	(2,244,390)
Additions to intangible assets	6	(27,813)	(84,890)
Net cash utilised in investing activities		(2,772,957)	(2,329,280)
Cash flows from financing activities			
Capital grant utilised in current year	9	2,772,957	2,329,280
Net cash flow from financing activities		2,772,957	2,329,280
Net increase/(decrease) in cash and cash equivalents		5,170,545	(3,211,027)
Net foreign exchange difference		27,015	(9,432)
Cash and cash equivalents at beginning of year		23,841,073	27,061,533
Cash and cash equivalents at end of year	8.2	29,038,633	23,841,073

HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2015

1. Summary of significant accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Human Resource Development Act of 2013. 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 judgment 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 3 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.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial years. The Council adopted the following new and amended IFRS and IFRIC interpretations as of 1 April 2014.

New and amended standards and interpretations

None of the new standards had an impact on the council.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments has no impact on the Council, since its does not have any offsetting arrangements.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Council as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning on 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Council.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Council, since the Council is an existing IFRS preparer.



HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES (continued)

1. Summary of significant accounting policies (continued)

1.2 IFRS and IFRIC interpretations not yet effective during the year

The Council has not applied the various IFRSs and IFRIC interpretations that have been issued, but which are not yet effective. These are as follows, excluding those that are not expected to apply to the Council.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus/deficit.

Statement, Interpretation Or Standard	Subject	Effective For Annual Periods Beginning On Or After
IFRS 14	Regulatory Deferral Account	01-Jan-16
IAS 1	Disclosure Initiative - Amendments to IAS 1	01-Jan-16
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38	01-Jan-16
IFRS 15	Revenue from Contracts with Customers	01-Jan-17
IFRS 9	Financial Instruments	01-Jan-18
Annual Improvements		
IAS 24	Related Party Disclosures - Key management personnel	01-Jul-14
IFRS 13	Fair Value Measurement - Scope of paragraph 52 (portfolio exception)	01-Jul-14

The Council anticipates that the adoption of the above in future periods will have no material financial impact on the financial statements and will only result in additional disclosure requirements. The impact of these new statements, Interpretations and Standards will be adopted at the respective effective dates.

1.3 Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Council are measured using the currency that best reflects the primary economic environment in which the entity operates ("the functional currency"). The Council financial statements are presented in Botswana Pula ("the presentation currency"), which is also its functional currency.

1.4 Intangible assets

Recognition and measurement

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.

HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES (continued)

1. Summary of significant accounting policies (continued)

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus/deficit when the asset is derecognised.

Impairment of intangible assets

Computer software (Intangible assets) 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 (the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) and the value in use (the present value of the future cash flows expected to be derived from an asset).

Property and equipment

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.

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 & Office Equipment	5 – 10 years
Gym Equipment	5 – 10 years
Computer Equipment	3 – 5 years
Motor Vehicles	4 – 8 years
Buildings	50 years
Buildings - Porta Cabins	20 years
Leasehold Improvements	over the life of the lease
Leasehold Land	over the life of the lease

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

Impairment

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.



HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES (continued)

1. Summary of significant accounting policies (continued)

1.5 Financial Instruments

Financial assets

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.

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.

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.

De-recognition of financial assets

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.

Offsetting

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.

HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES (continued)

1. Summary of significant accounting policies (continued)

1.5 Financial Instruments (continued)

Financial liabilities

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.

Subsequent measurement

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

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.

Bank Overdraft

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

Financial Guarantees

These are contracts that require the council to make payments to the bank for losses that it incurs because the council's employees fail to make payments when due in accordance with the terms of their staff loans. A financial guarantee is initially measured at fair value, adjusted for transaction costs directly attributable to the insurance of the guarantee. Subsequently, the liability is measured as the amount recognised less cumulative amortisation.

Restructuring Provisions

"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.

Derecognition

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

Offsetting

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.

1.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost, which approximates fair value. For purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, net of bank overdraft.



HUMAN RESOURCE DEVELOPMENT COUNCIL

ACCOUNTING POLICIES (continued)

1. Summary of significant accounting policies (continued)

1.7 Taxation

No provision for taxation is required as Human Resource Development Council is exempt from taxation in terms of the Second Schedule, Part 1 of the Income Tax Act (CAP 52:01)

1.8 Government grants

Government subvention and other grants are recognised in surplus/deficit on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to non - monetary assets are recognised at fair value and credited to deferred income in the statement of financial position, and amortised to surplus/deficit on a straight-line basis over the estimated used lives of the related assets. The related assets are also recognised at fair value.

1.9 Revenue recognition

Subvention from the Government is recognised as explained under the accounting policy for Government grants above. The administration fee is earned from the administration of the Human Resource Development Fund. This is a Fund where the training levy is collected from the companies that are eligible. Money that goes 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 disbursed by BURS towards the fund for the administration of this Fund.

Revenue from rendering of services consists of accreditation fees, Tertiary Education Fair fees, registration fees, sale of registration kits and sale of tender documents. Accreditation fees relate to accreditation of programmes offered by institutes registered under the Council. Accreditation fee is recognised as revenue upon review and assessment of the programme as submitted by the institute.

Tertiary Education Fair fees are recognised when organisations and exhibitors attend the fair.

Registration fees are recognised once the registration of the application is considered by the Council. Registration kits and sale of tender documents are recognised when significant risks and rewards of ownership passes to the buyer.

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

HUMAN RESOURCE DEVELOPMENT COUNCIL
ACCOUNTING POLICIES (continued)

2. Financial Risk Management

2.1 Financial risk factors

The Council's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Council's financial performance. Risk management is carried out under policies approved by the Council. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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.

Sensitivity to foreign exchange rate risk

The following table demonstrates the sensitivity to a reasonably possible change in the Pula and other currency exchange rate, with all variable held constant:

			Cash And Cash Equivalents	Effect On Surplus/Deficit
2015				
Increase in exchange rate	1%		2,040,541	20,405
Decrease in exchange rate	-1%		2,040,541	(20,405)
2014				
Increase in exchange rate	5%		199,150	41,173
Decrease in exchange rate	-5%		199,150	(41,173)

(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.

(ii) Interest rate risk

The Council manages interest risk by investing in a balanced portfolio of fixed and variable rate bank and investments accounts .

Sensitivity analysis

The following table summarises the sensitivity analysis of surplus/deficit to changes in market risks

		Effect On Surplus/Deficit
Interest Rate Risk		
2015		
Change in interest rate	1%	235,530
	-1%	(235,530)
2014		
Change in interest rate	1%	149,480
	-1%	(149,480)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. The sensitivity analysis computation includes restricted cash attributable to Human Resource Development Advisory Council.



HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES (continued)

2. Financial Risk Management (continued)

2.1 Financial risk factors (continued)

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Council assesses the credit quality of the customer, taking into account its financial position,

past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Council and management. The utilisation of credit limits is regularly monitored. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. However, even though the amounts are collectable, from past experiences it has shown that debtors take some time to settle their debts and some debts become outstanding for over 90 days, which then means they have to be provided for as per the Council's impairment policy. The table below shows the maximum credit risk exposure on the Council's financial assets.

	2015	2014
Financial instrument		
Trade and other receivables	10,151,154	3,424,526
Cash and cash equivalents	29,038,633	25,851,203
Staff loan guarantee (note 14)	2,875,548	4,742,987
Total	42,065,335	34,018,716

Also refer to note 11 for maturity analysis for past due or impaired financial assets. Included in cash and cash equivalents is cash belonging to HRDAC amounting to Pnil at year end, (2014: P8, 893, 079). Also refer to note 10 & 13. There were no assets at fair value through the profit and loss, derivatives used for hedging or available for sale financial instruments

(c) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in raising cash to meet commitments associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

The table below analyses the Council's financial liabilities into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2015	< 3 months	3-12 months	1 -5 years	Total
	P	P	P	P
Trade and other payables	9,974,803	-	-	9,974,803
Staff loan guarantee (note 14)	-	-	2,875,548	2,875,548
Total	9,974,803	-	2,875,548	12,850,351
At 31 March 2014	< 3 months	3-12 months	1 -5 years	Total
	P	P	P	P
Trade and other payables	15,811,030	-	-	15,811,030
Bank overdraft	-	2,010,130	-	2,010,130
Related party payables	-	8,893,079	-	8,893,079
Staff loan guarantee (note 14)	-	-	4,742,987	4,742,987
Total	15,811,030	10,903,209	4,742,987	31,457,226

HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES (continued)

2. Financial Risk Management (continued)

2.1 Financial risk factors (continued)

(d) Categories of financial assets and liabilities

The table below summarises the categories of the various financial assets and liabilities held by the entity:

	Loans and Receivables	Financial liabilities measured at amortised cost	Total
	P	P	P
Financial Assets			
Trade and other receivables	10,151,154	-	10,151,154
Cash and cash equivalents	29,038,633	-	29,038,633
Total financial assets	39,189,787	-	39,189,787
Financial Liabilities			
Trade and other payables	-	(9,974,803)	(9,974,803)
Bank overdraft	-	-	-
Related party payables	-	-	-
Total financial liabilities	-	(9,974,803)	(9,974,803)
Net financial position	39,189,787	(9,974,803)	29,214,984
31 March 2014			
Financial Assets			
Trade and other receivables	3,424,526	-	3,424,526
Cash and cash equivalents	25,851,203	-	25,851,203
Total financial assets	29,275,729	-	29,275,729
Financial Liabilities			
Trade and other payables	-	(15,811,030)	(15,811,030)
Bank overdraft	-	(2,010,130)	(2,010,130)
Related party payables	-	(8,893,079)	(8,893,079)
Total financial liabilities	-	(26,714,239)	(26,714,239)
Net financial position	29,275,729	(26,714,239)	2,561,490



HUMAN RESOURCE DEVELOPMENT COUNCIL ACCOUNTING POLICIES (continued)

2. Financial Risk Management (continued)

2.1 Fair value estimation

The council uses fair value to recognise financial instruments at year end. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The carrying value less impairment provision of trade receivables, trade payables and cash and cash equivalents are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar

financial instruments. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described below:

Determination of fair value and fair values hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (that is derived from prices).

Level 3 — Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs)

The following table presents the council's assets that are measured at fair value as at year end. Quantitative disclosures fair value measurement hierarchy for assets as at year end

2015	P	P	P	P	P
	Date of valuation	Quoted price in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value
Financial Liabilities					
Staff Loan Guarantees	31/03/2015	-	2,875,548	-	2,875,548
		-	2,875,548	-	2,875,548
2014					
Financial Liabilities					
Staff Loan Guarantees	31/03/2014	-	4,742,987	-	4,742,987
		-	4,742,987	-	4,742,987

Valuation techniques used in determining the fair value of financial instruments

Instrument	Applicable Level	Valuation Basis	Main Assumptions	Significant Inputs
Staff Loan Guarantees	2	DCF	Cashflow plus risk adjusted rate	Discount for counterparty non performance risk

HUMAN RESOURCE DEVELOPMENT COUNCIL **ACCOUNTING POLICIES** (continued)

3. Financial Risk Management (continued)

3. 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.

3.1 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.

3.2 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.

3.3 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.



HUMAN RESOURCE DEVELOPMENT COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AT 31 MARCH 2015

1. Revenue

	2015	2014
	P	P
Grant received from Government of Botswana		
Annual Government Subvention	30,100,274	25,530,144
Grant utilised for teAIDS project	3,864,613	10,990,945
Total Revenue Grants	33,964,887	36,521,089
The Council's operations are mainly funded by way of government grants. Grant income is solely represented by grants approved by the Ministry of Education and Skills Development.		
Revenue from services rendered		
Accreditation and Tertiary Education Fair	2,598,310	2,061,591
HRDF Administration fees	29,075,429	-
Registration fees	-	61,995
Sale of tender documents and registration kits	565,509	189,103
Total Service Revenue	32,239,248	2,312,689
Total Revenue	66,204,135	38,833,778

From the current year, HRDC took over the administration of the Human Resource Development Fund (HRDF) from Botswana Qualifications Authority (BQA). This resulted in HRDC earning an administration fee of P29,075,429 in the current year (2014: NIL). Refer to policy note 1.9 for more details.

2. Operating surplus before finance income

The following items have been charged/(credited) in arriving at operating surplus before finance income:

Auditors' remuneration	190,364	119,870
Depreciation (note 5)	2,661,410	2,244,144
Amortisation of intangible assets (note 6)	127,995	117,722
Advertising	2,457,955	1,526,281
Consultancy	2,790,944	1,035,381
Travelling and accommodation	2,213,109	1,138,513
Board members' sitting allowances (Note 13)	455,994	125,323
Foreign exchange gains	(122,580)	(41,173)
Repairs and maintenance-property plant and equipment	898,293	909,122
Staff Costs (Note 2.1)	39,518,300	23,433,578

HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

2.1	Staff Costs		
	Salaries and wages	20,753,649	13,653,161
	Restructuring costs	9,989,048	-
	Medical and gratuity expenses	6,016,615	7,628,133
	Other employee expenses	2,758,988	2,152,284
	Total Staff costs	39,518,300	23,433,578

The number of employees employed at the end of the year by the Council:	68	59
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The increase in staff costs is as a result of the once off provision for restructuring costs. At the beginning of the year it was anticipated that some employees would decide to take their exit packages instead of joining HRDC under the new structure, hence the provision was made (Note 10.2).

Except for the difference that is as a result of the restructuring process, the other difference is attributable to the costs of paying all the staff secondment allowances. When the transition process started, it was decided that since the HRDC structure was not yet operational, the entity will adopt the former TEC structure and all employees under that structure will be seconded to the new HRDC.

As a result all the employees were paid a secondment allowance which was 20% of the employee's salary. In the current year there was also a 4% salary increase across board for all employees, hence an increase in the gratuity provision made for employees, as gratuity movements are directly affected by movements in employee salaries. There was also an increase in the engagement of temporary assistants to assist with data analysis in the development of Sector Human Resource Plans.



HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

	2015	2014
	P	P
2.2		
Operating Deficit		
Deficit from HRDAC (Note 13)	85,555	-
An operating deficit amounting to P85,555 was absorbed by HRDC and was classified as other income in the books of HRDAC during the period, and expensed to HRDC.		
3.		
Other Income		
Amortisation of deferred income (Note 9)	2,792,995	2,061,591
4.		
Finance Income		
Interest received - bank	1,091,298	883,324
4.1		
Finance Costs		
Interest paid to HRDAC	113,373	422,226

The interest expense relates to the portion of bank interest income on cash that belongs to HRDAC but was held in the name of HRDC.

HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

5. Property and equipment

	Land & Buildings	Motor Vehicles	Computer Equipment	Gym Equipment	Furniture and Office Equipment	Total
	P	P	P	P	P	P
Year ended 31 March 2015						
As at 1 April 2014						
Cost	42,784,224	1,721,515	2,663,826	111,198	5,418,207	52,698,970
Accumulated Depreciation	(3,200,644)	(808,989)	(1,815,095)	(60,124)	(3,603,567)	(9,488,419)
Net Carrying Amount	39,583,580	912,526	848,731	51,074	1,814,640	43,210,551
Capital work in progress - additions	-	-	-	-	-	-
Transfer from Work in progress	-	-	-	-	-	-
Depreciation	(943,078)	(257,821)	(449,926)	(51,755)	(958,830)	(2,661,410)
Net Carrying Amount	39,326,828	1,369,847	838,750	196,092	1,562,768	43,294,285
As at 31 March 2015						
Cost	43,470,550	2,436,657	3,103,771	307,971	6,125,165	55,444,114
Accumulated Depreciation	(4,143,722)	(1,066,810)	(2,265,021)	(111,879)	(4,562,397)	(12,149,829)
Net Carrying Amount	39,326,828	1,369,847	838,750	196,092	1,562,768	43,294,285



5. Property and equipment (continued)

	Land & Buildings	Motor Vehicles	Computer Equipment	Gym Equipment	Furniture and Office Equipment	Total
	P	P	P	P	P	P
Year ended 31 March 2014						
As at 1 April 2013						
Cost	41,719,964	1,721,515	2,219,392	111,198	4,682,511	50,454,580
Accumulated Depreciation	(2,334,221)	(610,763)	(1,442,214)	(37,884)	(2,819,193)	(7,244,275)
Net Carrying Amount	39,385,743	1,110,752	777,178	73,314	1,863,318	43,210,305
Capital work in progress - additions	-	-	-	-	-	-
Transfer from Work in progress	-	-	-	-	-	-
Depreciation	(866,423)	(198,226)	(372,881)	(22,240)	(784,374)	(2,244,144)
Net Carrying Amount	39,583,580	912,526	848,731	51,074.00	1,814,640	43,210,551
As at 31 March 2014						
Cost	42,784,224	1,721,515	2,663,826	111,198	5,418,207	52,698,970
Accumulated Depreciation	(3,200,644)	(808,989)	(1,815,095)	(37,884)	(3,603,567)	(9,488,419)
Net Carrying Amount	39,583,580	912,526	848,731	73,314	1,814,640	43,210,551

HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

		2015	2014
		P	P
6.	Intangible Assets		
	Computer Software		
	31 March		
	Opening net carrying amount at 1 April	259,594	292,426
	Additions	27,813	84,890
	Amortisation charge for the year	(131,584)	(117,722)
	Net carrying amount	155,823	259,594
	Cost	764,317	736,504
	Accumulated amortisation	(608,494)	(476,910)
	Net carrying amount	155,823	259,594

All the intangible assets were acquired by way of a government grant and were initially recognised at fair value. The fair value initially recognised for these assets equal their cost. They are measured after recognition under the cost model. Assets acquired during the current year (additions), have been recognised at fair value using the cost approach.

7. Taxation

In terms of the Second Schedule of the Income Tax Act (chapter 52:01) the Council is exempt from Income tax.

8. Cash And Cash Equivalents

8.1	Cash and short term deposits	29,038,633	25,851,203
	Cash at bank and in hand	13,702,283	13,553,025
	Short term deposits (see Note 8.3 below)	15,336,350	12,298,178
8.2	Bank Overdraft		
	Bank overdraft	-	(2,010,130)
		29,038,633	23,841,073



HUMAN RESOURCE DEVELOPMENT COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. 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.

8.3 Short term Deposits				
2015				
Breakdown of short term deposits	Interest rate	Maturity date	Amount	
BancABC	9.42%	10.06.2015	5,000,000	
BancABC	7.00%	08.04.2015	4,132,213	
Bank Gaborone	8.75%	29.04.2015	6,204,037	
Short term deposits at year end			15,336,250	
2014				
BancABC	6.17%	11.06.2014	7,219,644	
BancABC	6.17%	07.05.2014	3,000,000	
BancABC	6.17%	09.04.2014	2,078,534	
Short term deposits at year end			12,298,178	

Restricted Cash

Included in cash and cash equivalents are funds held by HRDC on behalf of the Human Resource Development Advocacy Council (HRDAC). The utilisation of these funds is restricted to HRDAC specific activities. However, HRDAC cash and cash equivalents included above amount to NIL for the current year (2014:P8 893 079).

		2015	2014
		P	P
6.	Deferred Income		
	Opening Balance	43,470,145	43,502,730
	Additional grants received during the year	2,772,957	2,329,280
	Grant revenue recognised in P&L (note 3)	(2,792,995)	(2,361,865)
Balance at the end of the year		43,450,107	43,470,145

The government grant received towards capital expenditure is credited to deferred income and credited to the surplus/deficit over the estimated useful lives of the related assets. All assets as detailed on note 5 and 6 were acquired using government grants.

HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

		2015	2014
		P	P
10.	Trade and other payables		
	Trade creditors and accruals	5,800,682	3,785,307
	Sundry creditors	328,674	421,940
	Amount due to HRDAC - Note 13	-	8,893,079
	Payroll accruals	8,809,811	8,801,808
	Unutilised grants	3,845,447	2,801,975
	Balance at the end of the year	18,784,614	24,704,109
Trade payables are non-interest bearing and are generally on 30 day terms.			
10.1	Unutilised grants		
	HRDC Capital Grant	1,033,749	552,902
	HRDC Research Grant	1,311,698	2,249,073
	Recurrent Grant - Sector Committees	1,500,000	-
	Total Unutilised Capital Grants	3,845,447	2,801,975

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 members.

10.2 Provision for Restructuring

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 is expected to be completed by 31 March 2016.



HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

Reconciliation of the beginning and the ending balances for the restructuring provision

	2015	2014
	P	P
At 1 April 2014		
Arising during the year	-	-
Utilised	9,989,048	-
At 31 March 2015	-	-
Balance at the end of the year	9,989,048	-
Current	9,989,048	-
Non current	-	-
	9,989,048	-
11. Trade and other receivables		
Trade debtors	998,841	851,898
Receivable from HRDF	6,783,880	-
Other receivables	2,449,622	2,571,629
Balance at the end of the year	10,232,343	3,423,527

The trade and other receivables balance at the end of the year include prepayments of P81 189 (2014:P191 471)

Trade receivables are non-interest bearing and are generally on 30 day terms. The carrying value less impairment provision of trade receivables is assumed to approximate their fair values due to their short term nature.

As at 31 March trade receivables of P584,572 (2014: P456 935) were impaired. See below for the movements in the allowance for impairment of receivables.

	Collectively Impaired	
Opening Balance	456,935	268,185
Charge for the year	127,637	188,750
Closing balance of allowance	584,572	456,935

Receivables aged over 90 days and still owing 3 months subsequent to year end are fully provided for.

HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

11. Trade and Other
Receivables (continued)

As at 31 March, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			30-60 days	61-90 days		
2015	1,583,413	1,583,413	-	-	-	
2014	851,898	579,003	-	-	272,895	

12.

Commitments

2015

2014

Other commitments for consultancies and projects

Center for Employment Initiatives (CEI) - Development of Sector Committee Plans	1,859,019	-
ACHAP - Development of Sector Committee Plans	1,476,747	-
LEADDEX Consulting - Development of Sector Committee Plans	659,270	-
Total For Other Commitments	3,995,036	-

The commitments will be financed through a grant from the Human Resource Development Fund.



HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

13.	Related Party Transactions	
	Government grants received	
	Government subventions & Research grants	29,603,870 25,530,144
	Capital grant received from the Ministry of Education	- 500,000
	Grant received from NACA for teAIDS project	6,537,017 2,686,217
	Direct payments made by NACA for teAIDS project	- 2,000,000
Total Government grants received		36,140,887 30,716,361

Unutilised capital grants (note 10.1)		
Human Resource Development Council Capital Grant	1,311,698 552,902	
Human Resource Development Council - Research Grant	1,033,749 2,249,073	
Recurrent Grant - Sector Committees	1,500,000 -	
Total unutilised capital grants		3,845,447 2,801,975

Related party transactions with the Government of Botswana comprise subventions and capital grants received.

Transactions with entities under common control	
Transactions/ balances with HRDAC	
Amount due to HRDAC - Note 10	- 8,893,079
Finance costs (Note 4.1)	113,373 422,226
Transactions/ balances with HRDF	
Amounts due from HRDF	6,783,880 -
HRDF Administration fees	29,075,429 -
Transactions with utility parastatal institutions	
Botswana Telecommunications Corporation	292,175 202,369
Botswana Power Corporation	329,957 307,652
Water Utilities Corporation	28,040 30,274

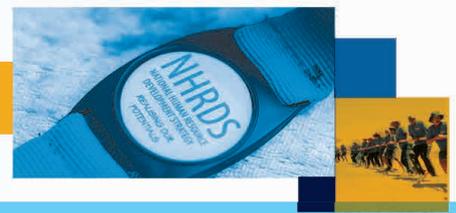
HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

	2015	2014
13. Related Party Transactions (continued)		
Contributions to Tertiary Education Fair		-
Botswana Accountancy College	75,250	-
Botswana Training Authority	50,000	100,000
Total Contributions	125,250	100,000
Transactions and balances with the Human Resource Development Council		
Operating deficit absorbed by HRDC from HRDAC	(85,554)	-
Key management compensation		
Salaries and other short term employee benefits	5,344,671	5,214,940
Post employment benefits - provision for gratuity	2,338,799	2,441,880
	7,683,470	7,656,820
Employee loans guaranteed by Human Resource Development Council	2,875,548	4,742,987
Board members and Sector Committee Members fees		
Sitting allowances (Note 2)	455,994	125,323

Transactions with the key management personnel represent personal emoluments, post employment benefits and guarantees under the HRDC staff loans guaranteed scheme. Transactions with the Council members represent sitting allowances paid. Related parties comprise the Government of Botswana and other parastatals, Council members, senior management and HRDAC.

Terms and conditions of transactions with related parties

Transactions with related parties are in the normal course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than the guaranteed employee loans. For the year ended 31 March 2015, the Council has not recorded any impairment of receivables relating to amounts owed by related parties (2014: PNil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



HUMAN RESOURCE DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 MARCH 2015 (continued)

14. Contingencies

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 Botswana Limited. The maximum amount guaranteed at 31 March 2015 was P2,875,548 (2014 : P4,742,987). 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.

15. Events after the reporting period

The members of the Board and management confirm that there are no material events after the reporting date affecting the financial statements.

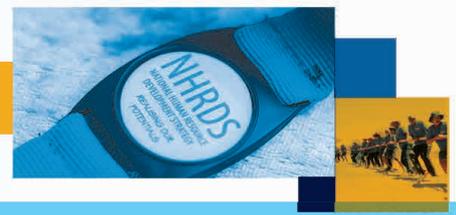
TERTIARY EDUCATION COUNCIL
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AT 31 MARCH 2015

	2015	2014
	P	P
Operating Expenses		
Advertising	2,457,955	1,526,281
Tertiary Education Fair	2,613,799	1,917,810
Bad Debts	287,523	188,750
Audit fees	190,364	119,870
Bank Charges	98,408	84,788
Computer Expenses	23,144	7,280
Consultancy	2,790,944	1,035,381
Depreciation	2,792,995	2,361,865
Electricity and water	327,634	336,644
Hospitality	35,175	-
Insurance	464,449	394,115
Legal Fees	412,874	56,812
Library	11,028	99,743
Development office Expenses	498,474	516,647
Printing and Stationery	537,769	425,368
Recruitment Cost	19,420	110,786
Relocation Costs	30,778	-
Repairs & Maintenance	1,267,034	1,095,311
Research and Development	937,375	550,928
Salary and wages	39,510,454	22,436,628
Security Services	211,926	172,432
Sitting Allowance	455,994	126,499
Staff Uniform	126,183	102,995
Stakeholder meetings & Conferences	1,671,819	2,196,549
Condom Distribution - teAIDS	-	2,000,000
Subscriptions	1,143,315	932,545
Telephone & Postage	213,463	222,653
Training	526,959	602,355
Travelling and accommodation	2,213,109	1,138,513
Vehicle Expenses	82,310	129,541
Total Expenditure	61,952,674	40,889,088

This supplementary information does not form a part of the audit opinion on pages 75.

ACRONYMS AND ABBREVIATIONS

ABC	<i>Assembly Bible College</i>	HRDFC	<i>Human Resource Development Fund Committee</i>
AC	<i>Advisory Committee</i>	HRDC	<i>Human Resource Development Council</i>
ABMUC	<i>ABM University College</i>	IDM	<i>Institute of Development Management</i>
APDC	<i>Academic, Planning and Development Committee</i>	KCTE	<i>Kgolagano College of Theological Education</i>
BAC	<i>Botswana Accountancy College</i>	IFRS	<i>International Financial Reporting Standards</i>
BBTI	<i>Bosa Bosele Training Institute</i>	LUCT	<i>Limkokwing University of Creative Technology</i>
BC	<i>Boitekanelo College</i>	IHSF	<i>Institute of Health Sciences Francistown</i>
BEAR	<i>Better Education For Africa</i>	IHSG	<i>Institute of Health Sciences Gaborone</i>
BU	<i>Botho University</i>	IHSL	<i>Institute of Health Sciences Lobatse</i>
BCA	<i>Botswana College of Agriculture</i>	IHSM	<i>Institute of Health Sciences Molepolole</i>
BCET	<i>Botswana College of Engineering and Technology</i>	ISCED	<i>International Standard Classification of Education</i>
BEC	<i>Botswana Examinations Council</i>	JVD	<i>Job Vacancy Database</i>
BGCSE	<i>Botswana General Certificate of Secondary Education</i>	KSDACN	<i>Kanye Seventh Day Adventist College of Nursing</i>
BIUC	<i>Ba Isago University College</i>	LMIS	<i>Labour Market Information System</i>
BIUST	<i>Botswana International University of Science & Technology</i>	LMO	<i>Labour Market Observatory</i>
BLSN	<i>Bamalete Lutheran School of Nursing</i>	MANCOSA	<i>Management College of Southern Africa</i>
BOCCIM	<i>Botswana Confederation of Commerce, Industry & Manpower</i>	MFDP	<i>Ministry of Finance and Development Planning</i>
BOCODOL	<i>Botswana College of Distance & Open Learning</i>	MOESD	<i>Ministry of Education and Skills Development</i>
BOTA	<i>Botswana Training Authority</i>	MVTC	<i>Maun Vocational and Technical College</i>
BTEC	<i>Botswana Tertiary Education Conference</i>	MCE	<i>Molepolole College of Education</i>
BTEF	<i>Botswana Tertiary Education Fair</i>	MS	<i>Megasize College</i>
BWTI	<i>Botswana Wildlife Training Institute</i>	NALCGPMWU	<i>National Amalgamated Local & Central Government Parastatal Manual Workers Union</i>
BSC	<i>Balance Score Card</i>	NHRDS	<i>National Human Resource Development Strategy</i>
BQA	<i>Botswana Qualifications Authority</i>	NECAST	<i>New Era Colleges of Arts, Science & Technology</i>
DCSC	<i>Defence Command Staff College</i>	NPRST	<i>National Policy on Research, Science and Technology</i>
DRMSON	<i>Deborah Retief Memorial School of Nursing</i>	OCAAT	<i>Oodi College of Applied Arts and Technology</i>
DAMELIN	<i>Imperial School of Business and Science</i>	SARIMA	<i>Southern African Research and Innovation Management Association</i>
DTEF	<i>Department of Tertiary Education Financing</i>	SCE	<i>Serowe College of Education</i>
EC	<i>Executive Committee</i>	SRC	<i>Student Representative Council</i>
ETSSP	<i>Education and Training Strategic Sector Plan</i>	TE	<i>Tertiary Education</i>
FCE	<i>Francistown College of Education</i>	TEIs	<i>Tertiary Education Institutions</i>
FCTVE	<i>Francistown College of Technical & Vocational Education</i>	TEC	<i>Tertiary Education Council</i>
FMS	<i>Flying Mission Services</i>	TCE	<i>Tonota College of Education</i>
FPBC	<i>Financial Planning and Budgeting Committee</i>	TKCE	<i>Tlokwen College of Education</i>
GAE	<i>Gaborone Academy of Education</i>	TEP	<i>Tertiary Education Policy</i>
GIPS	<i>Gaborone Institute of Professional Studies</i>	TVET	<i>Technical Vocational Education and Training</i>
GTC	<i>Gaborone Technical College</i>	UB	<i>University of Botswana</i>
GUCL	<i>Gaborone Universal College of Law</i>	UNESCO	<i>United Nations Educational Scientific and Cultural Organisation</i>
HRC	<i>Human Resource Council</i>	VTF	<i>Vocational Training Fund</i>
HRD	<i>Human Resource Development</i>		
HRDAC	<i>Human Resource Development Advisory Council</i>		



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HRDC

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