



"Ensuring Quality in Higher Education"

ANNUAL REPORT 2020





Higher Education Authority

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Corporate Information

Registered Office

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Mukuba Pension House
Dedan Kimathi Road
Lusaka

Business Address

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Dedan Kimathi Road
Lusaka

Our Bankers

Investrust Bank Plc.
ZANACO Bank Plc.

Our Lawyers

Gill & Seph Advocates
Elasah House, Office Unit No. 2, 1st Floor,
Eastern Wing
Plot Number 6755
Chainama Road, Olympia
Lusaka

Our Independent Auditors

AMG Global Chartered Accountants (Zambia)
No. 6, Lagos Road
Rhodes Park
P.O. Box 37893
Lusaka



Mandate

To regulate and monitor standards in Higher Education Institutions (HEIs) in order to ensure quality services and contribute to the enhancement of human capital and accelerated national development.

Vision

A dynamic quality assurance body promoting internationally recognised
Zambian higher education.

Mission Statement

To promote standards of higher education in order to ensure knowledgeable, skilled and well-disposed internationally recognised graduates for enhanced human capital and accelerated national development.



Core Values

Commitment:

We will be dedicated to duty.

Confidentiality:

We will be trustworthy by not revealing or disclosing privileged information to unauthorised persons.

Team work:

We shall cooperate with others and work to the best of our abilities, despite any personal conflict that may arise between individuals to foster unity of purpose.

Courtesy:

We will be polite in our internal and external interactions.

Honesty:

We will uphold trustworthiness in all our dealings.

Integrity:

We will put Higher Education Authority (HEA) obligations above our personal interests and conduct ourselves in a manner that is beyond

Transparency:

We will act visibly, predictably and understandably to promote participation and accountability.

Table of Contents












Mandate	iiv
Core Values	iv
Abbreviations and Acronyms	v
2020 Highlights	vi
Who We Are	vii
What We Do	vii
Governance	viii
Management Team	ix
Permanent Secretary's Foreword	01
Executive Summary	02
Introduction	04
Staff Updates	05
Quality Assurance	06
Registration and Deregistration of HEIs	06
Institutional Audits	07
Inspections and Surveillances	08
Standards and Research	08
Accreditation of Learning Programmes	11
Auditing of Learning Programmes	12
Orientation of Learning Programme Experts	12
Corporate Services	14
Parliament	14
High Level Meetings	15
Minister of Higher Education's Visit to HEA	16
Launch of 2019 State of Higher Education in Zambia Report	17
Signing of MoU with Health Professions Council of Zambia	17
Meetings with Stakeholders	18
Client and Stakeholder Engagement	20
Social Media	23
Website	24
Events	25
List of Registered Higher Education Institutions	29
List of Recognised Public Higher Education Institutions	31
2020 Higher Education Authority Audited Financial Report	32

Abbreviations and Acronyms

7NDP	Seventh National Development Plan
APAS	Annual Performance Appraisal System
COVID-19	Coronavirus Disease
HEA	Higher Education Authority
HEA-IMIS	Higher Education Authority Integrated Management Information System
HEI	Higher Education Institution
HELSB	Higher Education Loans and Scholarships Board
HPCZ	Health Professions Council of Zambia
ICT	Information and Communication Technology
IT	Information Technology
LMMU	Levy Mwanawasa Medical University
LPE	Learning Programme Expert
MIS	Management Information System
MoHE	Ministry of Higher Education
MoJ	Ministry of Justice
MoU	Memorandum of Understanding
NHIMA	National Health Insurance Management Authority
NHIS	National Health Insurance Scheme
NMCZ	Nursing and Midwifery Council of Zambia
PACRA	Patents and Companies Registration Agency
PhD	Doctor of Philosophy
SI	Statutory Instrument
STEM	Science, Technology, Engineering and Mathematics
TCZ	Teaching Council of Zambia
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNILUS	University of Lusaka
UNZA	University of Zambia
ZAF	Zambia Air force
ZAQA	Zambia Qualifications Authority
ZIALE	Zambia Institute of Advanced Legal Education
ZICTA	Zambia Information and Communications Technology Authority
ZSG-QA	Zambia Standards and Guidelines for Quality Assurance

2020 Highlights

K2,276,346 (32.99%) ↓ Income	K17,663,048 (59.99%) ↑ Grant	K704,100 Deficit
K19,939,394 Total Income	K20,643,494 Expenditure	

 2 New Staff	 26 Total Staff	 135 No. of Accredited LPs (47.73%) ↓
 65 No. of LP Experts Trained (53.90%) ↓	 1 No. of Registered HEIs	 1 No. of Deregistered Institutions
 13 No. of Inspections and Surveillances (77.97 %) ↓	 19 No. of Institutional Audits	 2 Press Briefings
 22,993% Facebook Growth (48.45%) ↑		 18 Events

Who We Are

The Higher Education Authority (HEA) is a statutory body established under the Higher Education Act No. 4 of 2013, to provide external quality assurance for Higher Education Institutions (HEIs) in Zambia. It began its operations in 2015.

The Authority is governed by a Board, whose members are drawn from Government, Civil Society and Professional Bodies

What We Do

The work of the Authority includes the following:

1. Register private Higher Education Institutions
2. Accreditation of Learning Programmes (LPs) offered in both private and public universities and colleges.
3. Conduct audits of Higher Education Institutions
4. Development and monitoring of standards in universities and colleges.
5. Conducting inspections and surveillances of institutions operating in the higher education sector.
6. Advising the Minister on any aspect of higher education.

Governance

HEA is governed by a Board of the Authority which is constituted in accordance to the provisions of the Higher Education Act No. 4 of 2013 Part II Section 7 (1). The part-time members of the Board of the Authority are appointed by the Minister from representatives from the Ministries responsible for education, vocational and entrepreneurship training, and labour; a representative of the Zambia Institute of Advanced Legal Education; a representative of the Attorney-General; a representative of the Zambia Association of Chambers of Commerce and Industry; a representative of the Examinations Council of Zambia; a representative of the Zambia Institute of Human Resource Management; a representative of a civil society organisation working in the education sector; and, two other persons with expertise in matters relating to higher education.

However, in 2020, the Authority continued to operate without a duly appointed Board. Nevertheless, the oversight functions of the Board were undertaken by the Ministry of Higher Education (MoHE) which was chaired by the Permanent Secretary, Mrs. Kayula Siame.



Management Team



Prof. Stephen Simukanga
Director-General



Dr. Vitalicy Chifwepa
Director – Quality Assurance



Mrs. Elizabeth Namonje Hamvumba
Manager – Programme Accreditation



Dr. Orleans Mfune
Manager – Standards, Research and Institutional Audits



Mr. Ronald Chulu
Manager – Finance

Permanent Secretary's Foreword

It is my uttermost pleasure to present the 2020 Annual Report for the Higher Education Authority, which has been compiled in accordance with of the First Schedule, Part II, Section 10 of the Higher Education Act, No. 4 of 2013.

In the year under review, the Authority continued to implement the Strategic Objectives which yielded a number of notable results. Among these include an acceleration in the accreditation of Learning Programmes, inspection and auditing of Higher Education Institutions, and stakeholder engagements.

As the Authority executes its mandate, the Ministry of Higher Education expects the Authority to effectively and efficiently promote standards in higher education. In this regard, the Government of the Republic of Zambia remains committed to supporting the Authority in ensuring that quality higher education is accessible to all Zambians.

Mrs. Kayula Siame

Permanent Secretary
Ministry of Higher Education

“ *The Ministry of Higher Education expects the Authority to effectively and efficiently promote standards in higher education.* ”

Executive Summary

Executive Summary

In the year under review, the outbreak of the Coronavirus disease (COVID-19) caused HEA to significantly reduce on activities that involved physical interactions with clients. The reduction happened from 27th March to 15th June, 2020. Thus, this meant that the Authority had to cease all site visits to Higher Education Institutions (HEIs), institutions that applied for registration and institutions purporting to offer higher education in Zambia. However, the Authority managed to score some successes in the following:

Programme Accreditation

In 2020, out of the LPs submitted from private and public HEIs, and institutions applying for registration as HEIs, 392 LPs completed the accreditation cycle. This represented a 13.82% decrease from 2019 in the number of LPs that completed the cycle, owing to the COVID-19 pandemic which had resulted in reduced activities at the Authority.

Further, 135 LPs were accredited whilst 138 were rejected. Compared to 2019, there was a 47.73% decrease in the LPs accredited in 2020.

Furthermore, the decrease in activities due to COVID-19 affected the expansion of the database of Learning Programme Experts as the number of trained experts reduced from 141 in 2019 to 65 in 2020, representing a 53.9% decrease.

Registration of New Higher Education Institutions and Campuses

The Authority registered one HEI, Open Window University, during the period under review. The registration of Open Window University increased the number of registered HEIs to 55. However, by the end of 2020, this number dropped to 53 following the deregistration of Greenlight and Southern Universities.

Further, eight new campuses of existing HEIs were approved to operate. The campuses were: Brook Besor University – Kalundu

Campus; Chreso University – Makeni Campus; Eden University – Great East Road Campus; Information and Communication University – Chalala Campus; Rockview University – Chipata Campus; University of Barotseland – Academic Campus; University of Barotseland – Administration Campus; and, University of Lusaka – Silverest Campus.

Institutional Audits

Due to the COVID-19 pandemic, the only audits that were conducted once HEA resumed normal operations were audits for classification of HEIs. Thus, when the audits resumed in the third quarter, HEA conducted 21 audits for classification of the following HEIs: Africa Christian University, Africa Open University, Ambassador International University, Blessings University of Excellence, Brook Besor University, Cavendish University, Central African Baptist University, DMI-St. Eugene University, Evangelical University, Information Communication University, Mosa University, Northrise University, South Valley University, St. Dominic's Major Seminary, Sunningdale University, Trans African Christian University, Trinity University, Unicaf Zambia, United Church of Zambia university, University of Edenberg, and Victoria Falls University of Technology.

Therefore, the 2020 audits represented an 8.67% decrease in the number of audits compared to 2019.

Inspections and Surveillances

Inspections and surveillances were also affected by the COVID-19 pandemic resulting in reduced inspections. The inspections conducted in 2020 led to the deregistration of Southern University.

Moreover, the surveillances conducted in 2020 resulted in 3 Colleges being cautioned on the use of the term “university” in the name of the institution. The institutions were using the title “university college” when they were not registered as such; and the closure of 10 unregistered institutions and subsequent publication of the said institutions in the newspaper.

Stakeholder Engagement

Stakeholder engagements were significantly affected by the COVID-19 pandemic due to the reduction of activities in order to curb the spread of the virus. All national events were cancelled, which are a significant part of HEA's engagement strategy.

However, HEA continued its engagements through meetings, workshops, and TV and radio appearances in order to ensure quality delivery of services and enhance its public image. This was achieved through meetings with stakeholders, correspondences, newsletters, social media, website, and through hosting and attending public events. Therefore, the Authority's digital audience increased by 7.03% from 2019, despite it issuing 43.48% less newsletters due to the reduction of activities.

Professor Stephen Simukanga

Director-General
Higher Education Authority





SETTING STANDARDS FOR HIGHER EDUCATION

Introduction

The 2020 Annual Report has been compiled in accordance with the First Schedule, Part II, Section 10 of the Higher Education Act, No. 4 of 2013. The Act requires that the Authority submits to the Minister of Higher Education a report concerning its activities during each financial year.

This report highlights the activities that took place in 2020, a year in which the outbreak of the Coronavirus disease (COVID-19) caused HEA to significantly reduce on activities that involved physical interactions with clients. The reduction happened from 27th March to 15th June, 2020. Thus, this meant that the Authority had to cease all site visits to Higher Education Institutions (HEIs), institutions that applied for registration and institutions purporting to offer higher education in Zambia. Further, the Authority restricted all visits by its clients and stakeholders to its offices.

However, despite COVID-19, HEA managed to implement most activities. This was achieved by staff continuing to work remotely, with Zoom: Video Conferencing, Web Conferencing and Webinars, being effectively utilised to ensure that efficiency was maintained during this period.

The report is presented in four (4) sections. The first section presents updates on Staff through appointments, promotions and confirmations.

The second section provides an insight in quality assurance activities undertaken during the year in terms of registration, inspection, audit and classification of HEIs; accreditation and audit of learning programmes; surveillances; and, the training of Learning Programme Experts (LPEs).

The focus in the third section is on the stakeholder engagement activities undertaken during the year.

The Audited Financial Statements for the year 2020 are presented in the fourth section.



Staff Updates

HEA continued to fill the structure of the organisation through the recruiting of the Administrative Officer and a Driver, which brought the full staff compliment to 26 out of 39.



Mrs. Annie Zulu Sitali
was employed in the position
of Administrative Officer on
8th July, 2020.



Mr. Julius Sikatali
was employed as a Driver on
June, 2020.

Quality Assurance

In 2020, HEA continued to make progress in a number of quality assurance activities. These activities included the registration, audit, classification and inspections of Higher Education Institutions (HEIs); surveillances of unregistered institutions; accreditation and audit of learning programmes; development of standards and guidelines; research; and, the training of Learning Programme Experts (LPEs).

Registration and Deregistration of HEIs

The Authority continued to receive applications from various applicants for registration as new HEIs. During the period, 27 applications for new HEIs and new campuses for existing HEIs were processed. The total number of applications for new HEIs was 17 and resulted in the approval of one (1) applicant to operate as an HEI. The newly registered HEI was Open Window University.

The registration of Open Window University increased the number of registered HEIs to 55. However, by the end of 2020, this number dropped to 53 following the deregistration of Greenlight and Southern Universities.

Further, eight (8) new campuses of existing HEIs were approved to operate. The campuses were:

1. Brook Besor University – Kalundu Campus; Chreso University – Makeni Campus
2. Eden University – Great East Road Campus; Information and Communication University – Chalala Campus
3. Rockview University – Chipata Campus; University of Barotseland – Academic Campus
4. University of Barotseland – Administration Campus; and, University of Lusaka – Silverest Campus.

Table 1: Summary of applications and approvals of HEIs for 2020

	2020
Total Applications	27
application for new campuses	10
approved new campuses	10
application for new HEI	17
approved new HEI	1

Whilst there was a decrease in the number of private HEIs by the end of 2020, there was an increase in the number of recognised public universities following the establishment of Palabana University through Statutory Instrument (SI) (no). This brought the number of public universities to nine (9), namely;

1. University of Zambia (UNZA)
2. Copperbelt University (CBU)
3. Mulungushi University
4. Chalimbana University
5. Kapasa Makasa University
6. Mukuba University
7. Levy Mwanawasa Medical University
8. Kwame Nkrumah University.
9. Palabana University



HEA and Engineering Institution of Zambia (EIZ) Inspectors conduct an inspection of Copperstone University. In the image, Copperstone University Vice-Chancellor, Prof. Sitwala Mundia, leads the team around the campus.

Institutional Audits

In 2020, 19 institutional audits were conducted. This represented 21.05% decrease in planned audits. The Authority could not achieve 100% of the planned audits due the impact of the COVID-19 pandemic which had resulted in the reduction of operations.

When the audits resumed in the third quarter of 2020, they included audits for classifications in order to place the HEIs in tiers defined by the Zambia Qualifications Frameworks (ZQF), starting with ZQF7 for HEIs offering degree qualifications only; ZQF8 for HEIs offering qualifications up to postgraduate diplomas; ZQF9 for HEIs offering qualifications up to master's; and, ZQF10 for HEIs offering qualifications up to PhDs.

Thus, HEA conducted 21 audits for classification of the following HEIs:

1. Africa Christian University
2. Africa Open University
3. Ambassador International University
4. Blessings University of Excellence
5. Brook Besor University
6. Cavendish University
7. Central African Baptist University
8. DMI-St. Eugene University
9. Evangelical University
10. Information Communication University
11. Mosa University
12. Northrise University
13. South Valley University
14. St. Dominic's Major Seminary
15. Sunningdale University
16. Trans African Christian University
17. Trinity University
18. Unicaf Zambia University
19. United Church of Zambia University
20. University of Edenberg
21. Victoria Falls University of Technology.

The results of the classification and, as such, the tiers in which the aforementioned HEIs fall, will be gazetted in 2021.

Inspections and Surveillances

HEA continued to conduct inspections of registered HEIs and surveillances of unregistered institutions purporting to offer higher education in Zambia in accordance with the provisions of the Higher Education Act No. 4 of 2013.

As with institutional audits, inspections and surveillances were affected by the COVID-19 pandemic resulting in reduced inspections. The inspections conducted in 2020 led to the deregistration of Southern University.

The surveillances conducted in 2020 resulted in:

1. 3 Colleges being cautioned on the use of the term “university” in the name of the institution. The institutions were using the title “university college” when they were not registered as such; and
2. Closure of 10 unregistered institutions and subsequent publication of the said institutions in the newspaper.

Standards and Research

HEA continued to work on Standards and Guidelines to aid the development of the higher education quality assurance system in Zambia. These included the development of the Zambia Standards and Guidelines for Quality Assurance (ZSG-QA) in higher education and the Student Transfer Guidelines. In addition, the Higher Education Authority continued to conduct research on the state of higher education which resulted in the production of the 2019 State of Higher Education in Zambia Report under the theme “5 Decades of University Education in Zambia”

Furthermore, HEA continued to participate in the activities for the amendment for the Higher Education Act No. 4 of 2013.

Zambia Standards and Guidelines for Quality Assurance in Higher Education

HEA developed the Zambia Standards and Guidelines for Quality Assurance in Higher Education (ZSG-QA) to promote a culture of quality among HEIs in Zambia. The ZSG-QA have been aligned to the Africa Standards and Guidelines for Quality Assurance in Higher Education and benchmarked against international best practices from the Southern African Development Community region and other global actors in higher education.

The objectives of the ZSG-QA are:

1. To provide a common framework and shared understanding of quality assurance systems for teaching and learning among HEIs and other stakeholders;
2. To provide a basis for quality improvement in higher education through institutional audits, assessments and learning programme accreditation;
3. To guide HEIs in the development and implementation of good internal quality assurance systems and practices;
4. To promote mutual trust among HEIs, thus facilitating recognition and mobility of students and academic staff within the higher education sector;
5. To promote international competitiveness of Zambia’s higher education system.

The ZSG-QA were framed around a set of 15 essential areas that are critical to achieving quality and developing a robust higher education sector. These include institutional vision and mission, governance and management, learning programmes, teaching and learning, learner support, financial resources and physical and technological infrastructure. For each of the essential areas, the ZSG-QA provide corresponding standards and guidelines to be followed by HEIs in the development of internal quality assurance mechanisms and other higher education processes.

Student Transfer Guidelines

HEA further developed the Student Transfer Guidelines for HEIs. The purpose of Student Transfer Guidelines is to provide guidance to HEIs in the development and institutionalisation of student transfer policies and procedures. They provide principles to be used in the development of HEIs' policies, restrictions on student transfer and the roles and responsibilities of HEIs in the transfer process.

The Authority expects all HEIs registered under the Higher Education Act No. 4 of 2013 to follow the laid down principles and guidelines in the development of their student transfer policies. Ultimately, it is anticipated that the deployment of Student Transfer Guidelines will lead to the development of credible, efficient, equitable and transparent processes by HEIs that will allow students to transfer credits and courses between learning programmes; get exemption of credits or courses towards a qualification; and, accumulate credits in a learning programme or towards a qualification.

Legal Reforms in Higher Education

A major development in higher education in 2020 was the commencement of legal reforms aimed at amending the Higher Education Act No.4 of 2013 to strengthen the quality assurance role of HEA and address lacunas in the Act. This was spearheaded by the Ministry of Higher Education (MoHE), with the Authority facilitating the meetings.

The envisaged legal reforms will have several implications for the higher education sector. These include:

1. Increased diversity in types of HEIs. Once implemented, the reforms will lead to the emergence of new types of institutions that may include university colleges, technical university colleges, technical universities and research institutions, thus broadening the range of HEIs to meet the diverse interests of prospective learners. This diversity will be in line with the National Higher Education Policy of 2019.
2. Reassignment of all accreditation functions from professional bodies to the HEA. An important implication of the amendments is that all accreditation functions, except for technical education, vocational and entrepreneurship training programmes, currently being carried out by professional bodies will be re-assigned to the HEA. While professional bodies will be involved in the consultative process, the HEA will be the only accreditation agency for higher education. This, consequently, will result in a harmonised accreditation process for all learning programmes.
3. Changes in registration of HEIs. The amendments may lead to two important changes in the registration of HEIs. These are:
 - a) All colleges previously registered by professional bodies such as the General Nursing Council of Zambia and the Teaching Council of Zambia will be registered and monitored by the HEA.
 - b) No new HEI will, at first registration, be registered as a university. Instead, all new institutions will be registered either as colleges or university colleges until after five years of operation when they will be eligible for university status. University colleges will be allowed to offer Bachelor's degree programmes but not postgraduate learning programmes.

The 2019 State of Higher Education in Zambia Report

The Higher Education Act, 2013, Section 6 (b) requires that the Authority publishes the State of Higher Education Report on an annual basis. Thus, in 2020, HEA published the maiden State of Higher Education report. The report focused on the history of higher education in Zambia, legal reforms in higher education, research performance of HEIs and statistics on enrolments, graduates, and academic staff.



The Honourable Minister of Higher Education, Dr. Brian Mushimba, MP. (Centre, Seated) poses for a picture with Prof. Simukanga and other invited guests after the launch of the inaugural State of Higher Education in Zambia Report.

(L-R Seated) Mr. Succeed Mubanga, Director - Planning and Information, MoHE; Prof. Simukanga; Dr. Mushimba, MP.; Mr. Charles Mulenga (Now Deceased), Director – University Education, MoHE; Prof. Luke Mumba, Vice-Chancellor, University of Zambia (UNZA).

(L-R Standing, Selected Members) Mrs. Ann Malata-Ononuju, Director and CEO, Zambia Institute of Advanced Legal Education (ZIALE) (R); Dr. Patrick Kalifungwa, Vice-Chancellor, Livingstone International University of Tourism Excellence and Business Management, (LIUTEBM) (4-R); and, Prof. Pinalo Chifwanakeni, Vice-Chancellor, University of Lusaka (UNILUS) (4-L).

Development of Quality Assurance Handbook

In 2020, HEA commenced the development of the quality assurance handbook. The handbook is aimed at guiding the implementation of quality assurance processes such as registration, audits (institutional and learning programme), accreditation, and classification. This will be finalised in 2021 and will be used by both HEA and HEIs.

Development of Core Elements

HEA began the process of developing core elements for all learning programmes offered in Zambia. A Seminar was held on the Development of Core Elements with some Experts on the 3rd, 4th and 7th December, 2020, at Mika Convention Centre in Lusaka.

The Experts had developed working documents with core elements in Bachelor of Science (Nursing), Bachelor of Laws, Bachelor of Economics, Bachelor of Theology, Bachelor of Science in Information Technology, Master's by Research, and Doctoral Programmes. The working documents on core elements were presented to HEA for discussion before the documents could be validated by Higher Education Institutions (HEIs) and other stakeholders.



In the image, HEA and EIZ conclude inspection of Copperstone University

Accreditation of Learning Programmes

HEA continued the evaluation of learning programmes for accreditation as part of its quality assurance process. The process is marked by a binary outcome where a learning programme is evaluated against set standards and either recommended for accreditation or rejected.

In 2020, HEA continued to receive and process learning programmes from various HEIs which included institutions that were applying for registration as HEIs. Out of the learning programmes submitted from private and public HEIs, and institutions applying for registration as HEIs, 392 learning programmes completed the accreditation cycle. This represented a 13.82% decrease from 2019 in the number of learning programmes that completed the cycle, owing to the COVID-19 pandemic which had resulted in reduced activities at the Authority.

Further, 135 learning programmes were accredited whilst 138 were rejected. Compared to 2019, there was a 47.73% decrease in the learning programmes accredited in 2020.

Table 2: Summary of accreditation of learning programmes for 2020

	2020
Number of learning programmes Submitted	234
Total learning programmes Evaluated	392
Accredited	135
Rejected	138

The cumulative number of learning programmes accredited as of December 2020 stood at 563 in the following categories:

- Category 1** - Agriculture and Nature conservation
- Category 2** - Creative arts
- Category 3** - Business, Commerce and Management Studies
- Category 4** - Communication Studies and Languages
- Category 5** - Education, Training and Development
- Category 6** - Manufacturing, Engineering and Technology
- Category 7** - Humanities and Social Sciences
- Category 8** - Law, Military Science and Security
- Category 9** - Health Sciences
- Category 10** - Physical, Mathematics, Computer and Life Sciences
- Category 11** - Services
- Category 12** - Physical Planning and Construction

Auditing of Learning Programmes

In the year under review, HEA commenced the auditing of learning programmes. The aim of the learning programmes audit is to assess progress in the implementation of learning programmes accredited by the Authority. The learning programme audit allows the Authority, together with the HEI, to:

1. Determine if the standards met at initial accreditation are being maintained.
2. Identify the strengths and weaknesses in the implementation of the learning programme.
3. Identify the areas of continuous quality improvement and enhancement of the learning programme.

Thus, HEA audited 12 LPs from 3 HEIs. The LPs audited were:

1. Coppertone University
 - a. Bachelor of Business Administration
 - b. Master of Business Administration in Human Resources
2. Northrise University
 - a. Bachelor of Human Resources Management
 - b. Bachelor of Science in Computer Science
 - c. Bachelor of Science in Information Technology
 - d. Diploma in Human Resources Management
3. Zambia Catholic University
 - a. Bachelor of Accountancy
 - b. Bachelor of Banking and Finance
 - c. Bachelor of Business Administration
 - d. Bachelor of Economics
 - e. Bachelor of Human Resources Management
 - f. Master of Business Administration

Orientation of Learning Programme Experts

HEA continued orienting Learning Programme Experts (LPEs) in order to expand the pool of available experts. This is in an effort to facilitate a more efficient and expedient process of accreditation of various types of learning programmes. This resulted in an expanded database of experts. The number of trained LPEs reduced from 141 in 2019 to 65 in 2020. This represented 54% decrease in the number of LPE trained.



Participants of HEA's Orientation of LPEs in Lusaka at Mulungushi International Conference Centre on 14th August, 2020

ENSURING QUALITY IN HIGHER EDUCATION



Corporate Services

The activities implemented under Corporate Services were significantly affected by the COVID-19 pandemic due to the reduction of activities in order to curb the spread of the virus. The activities in Corporate Services are largely dependent on travel and interacting with clients and stakeholders. Thus, most of the activities were cancelled, as was echoed by the cancellation of all national events by the Government of the Republic of Zambia.

However, later in the year, restrictions on travel and interactions with clients and stakeholders were eased. Therefore, Corporate Services began implementing some activities.

In the year under review, HEA did conducted number of Corporate Services activities, which included the Authority presenting before the Committee on Education, Science and Technology; Meetings on the Amendments of the Higher Education Act No. 4 of 2013; the Minister of Higher Education's visit to HEA; the launch of the inaugural State of Higher Education in Zambia report; and, the signing of an MoU with the Health Professions Council of Zambia (HPCZ).

Further, HEA continued its interactions with its clients, stakeholders, and the general public through meetings, workshops, and TV and radio appearances. These activities were done in order to ensure quality delivery of services and enhance its public image. This was achieved through meetings with stakeholders, correspondences, newsletters, social media, website, and through hosting and attending public events. All these activities were undertaken under COVID-19 health guidelines.

Parliament

Presentation to the Committee on Education, Science and Technology

HEA appeared before the Parliamentary Committee on Education, Science and Technology and presented on the teaching of Science, Technology, Engineering and Mathematics (STEM) in Zambia.



HEA Team poses for a picture outside parliament after their presentation to the Committee.



Dr. Vitalicy Chifwepa, Director - Quality Assurance, presents HEA branded items to the Committee Chair.



Dr. Chifwepa presenting before the committee.

High Level Meetings

Meetings on the Amendment of the Higher Education Act No. 4 of 2013

Ministry of Justice Hosts MoHE and Stakeholders on Internal Consultation of Higher Education Amendment Bill

HEA facilitated a meeting between the Ministry of Justice (MoJ) and MoHE and its stakeholders as part of internal consultations on the Higher Education Amendment Bill of 2020 on 18th June, 2020, at Mulungushi International Conference Centre in Lusaka.



In the picture, the Honourable Minister of Higher Education, Dr. Brian Mushimba, MP (4-R), and the Honourable Minister of Justice, Mr. Given Lubinda, MP. (4-L), pose for a picture with Prof. Simukanga (3-R), Mrs. Mirriam Chiyaba (2-R), Zambia Qualifications CEO and Director, amongst other invited guests.

Technical Consultation Meetings Over Higher Education Bill, 2020

HEA facilitated a series of consultative Technical Meetings which MoHE held with key stakeholders in the higher education sector on the proposed Draft Higher Education (Amendment) Bill, 2020. These meetings were held from 4th - 7th August, 2020.



MoHE Holds Meeting with MoJ to Finalise the Draft Higher Education (Amendment) Bill, 2020

HEA facilitated a MoHE consultative meeting with the MoJ in order to finalise the resolutions of the overlaps in other statutory regulations that affects the Draft Higher Education (Amendment) Bill, 2020. This meeting took place on 5th October, 2020, at Radisson Blu Hotel in Lusaka.



Minister of Higher Education's Visit to HEA

The Honourable Minister of Higher Education, Dr. Brian Mushimba, MP., visited HEA offices on 23rd June, 2020. This marked the first time Dr. Mushimba visited the Authority and was accompanied by the Permanent Secretary in the Ministry of Higher Education, Mrs. Kayula Siame.



Dr. Mushimba, MP., tours office of the Manager - Programme Accreditation in the Quality Assurance Department.



Prof. Simukanga shows Dr. Mushimba, MP., and Mrs. Siame the view from his office which overlooks Government Complex.

(L-R) Dr. Vitalicy Chifwepa, Director - Quality Assurance; Prof. Simukanga; Mrs. Siame; Mrs. Cecilia Banda, Planning and Information Officer, MoHE; and, Dr.

Launch of the State of Higher Education in Zambia 2019 Report

HEA launched the State of Higher Education in Zambia 2019 report on 12th November, 2020, at the first ever event it had held on its grounds at Mukuba Pension House. The report was launched by the Honourable Minister of Higher Education, Dr. Brian Mushimba, MP.



Dr. Mushimba hands out the report to invited guests after the launch.



Dr. Mushimba, MP, (2-R), poses for the picture with Prof. Simukanga (C), and invited guests.



The Director of Ceremony, Mr. Birbal Boniface Musoba, HEA Corporate Communications Officer, gives remarks during the launch of the report.



Prof. Simukanga joins Zuma Ni Motto on the stage in dancing to traditional Zambian music.

Signing of MoU with Health Professions Council of Zambia.

HEA signed an MoU with the Health Professions Council of Zambia (HPCZ) on 4th March, 2020. The MoU was intended to ensure that there was collaboration with HPCZ in the accreditation of health-related programmes.



*Prof. Simukanga and Health Professions Council of Zambia (HPCZ) Registrar and CEO, Mr. Bwembya Bwalya (2-L), pose for a picture with the signed MoUs.
(L-R) Mr. Ronald Chulu, Manager - Finance, HEA; Mr. Bwalya; Prof. Simukanga; Dr. Chifwepa; and, Mr. Takaiza.*



Prof. Simukanga and Mr. Bwalya pose for a picture with Mr. Musoba (L), Mr. Terry Musonda, Senior Public Relations Officer, HPCZ, and Ms. Ngoza Malonga (Now Deceased), Spokesperson, Teaching Council of Zambia (TCZ).



Prof. Simukanga and Mr. Bwalya sign the MoU.



Prof. Simukanga and Mr. Bwalya shake hands after signing the MoU.

Meetings with Stakeholders

Operationalisation of Palabana University

Following the issuance of Statutory Instrument on the operationalisation of Palabana University, HEA was tasked to spearhead its operationalisation. In this regard, HEA held several meetings with various stakeholders. This included MoHE, the Ministry of Fisheries and Livestock, and Livestock Development Trust.

Among the notable developments from the meeting was the accreditation of the Diploma in Livestock Production.

Technical Meeting to Develop the Operational Plan of Levy Mwanawasa Medical University

HEA facilitated a Technical Meeting to Develop the Operational Plan of Levy Mwanawasa Medical University (LMMU) involving participants from MoHE, Ministry of Health, Levy Mwanawasa Medical University and HEA from 18th – 20th November, 2020, Waterfalls Hotel in Chongwe. The meeting concluded with an implementation road map for LMMU.



Participants of the Technical Committee Meeting.

(L-R Standing) Mr. Denny Nsokolo, Senior Standards and Research Officer; Dr. Orleans Mfune, Manager - Standards, Research and Institutional Audits; Mr. Ronald Chulu, Manager - Finance; Mrs. Elizabeth Hamvumba, Manager - Programme Accreditation; and, Mr. Bonaventure Mutale, Senior Planner, Mr. Kakukwena Mandume, Deputy Registrar, LMMU

(L-R Seated) Mr. Mubanga; Prof. Simukanga; and, Mr. Amos Mumba, Assistant Director - University Education, MoHE.

Meeting with Patents and Companies Registration Agency

HEA held a meeting with the Patents and Companies Registration Agency (PACRA) on 18th February, 2020, in order to find a way of sensitising clients who register with PACRA to open a company that will offer higher education to further register with the Authority before they start operating.



Prof. Simukanga (C) poses for a picture with the PACRA Team led by Ms. Vaida Njobvu (4-R), Manager - Public Relations.

Meeting with the National Health Insurance Management Authority (NHIMA)

The National Health Insurance Management Authority (NHIMA) held a consultative meeting with HEA on the implementation of the student health insurance plan under the National Health Insurance Scheme (NHIS) on 9th January, 2020.



Prof. Simukanga poses for a picture NHIMA Director General, Dr. James Kapesa. The Director Generals were joined by their respective managements.

Zambia Airforce Visits HEA

The Zambia Air Force (ZAF) held a consultation meeting with HEA on 8th January, 2020, on the operationalisation of a Centre of Advanced Learning for the Air Force.



Client and Stakeholder Engagement

HEA continued to issue newsletters digitally, having had issued 27 newsletters to its 942 subscribers. Therefore, the Authority's audience increased by 7.03% from 2019, despite it issuing 43.48% less newsletters due to the reduction of activities.

Further, HEA engaged clients and stakeholders on various topics through media appearances on TV and radio.

Press Releases

HEA issued 7 press releases in 2020. Only 2 of these press releases were issued at press briefings whilst the rest were issued digitally due to the COVID-19 pandemic and the restrictions in gatherings that this had presented.

The press releases were on:

1. HEA Directing Copperstone University to cease offering 9 unaccredited engineering learning programmes;
2. Deregistration of Citizen University, Pamodzi University, and University of East and Southern Africa;
3. Deregistration of Southern University;
4. HEA Scaling Down Activities Due to COVID-19;
5. HEA Resuming Normal Services in the "new normal";
6. List of Illegally Operating Universities; and,
7. Public Announcement concerning the Illegal Use of the Title 'University'.

Press Briefings

HEA orders Copperstone University to cease offering 9 unaccredited Engineering Learning Programmes

HEA held a press briefing on 5th February, 2020, to announce its directive to Copperstone University, a registered Higher Education Institution (HEI) with registration No.: HEA/030, to, with immediate effect, cease offering the unaccredited 9 learning programmes, namely;

1. Bachelor of Building & Construction
2. Bachelor of Electrical Engineering
3. Bachelor of Electronics Engineering
4. Bachelor of Mining Engineering
5. Diploma in Auto-Mechanics
6. Diploma in Electronics Engineering
7. Diploma in Mining Engineering
8. Diploma in Motor Vehicle Engineering
9. Certificate in Mining Engineering.



High Level Meetings on the Amendment of the Higher Education Act No. 4 of 2013

Deregistration of Citizen University, Pamodzi University and University of East and Southern Africa

HEA held a press briefing on 14th January, 2020, to announce the deregistration of Citizen University, Pamodzi University, and University of East and Southern Africa (UNESA). The HEIs were deregistered forthwith in accordance with the provisions of the Higher Education Act No. 4 of 2013 Part IV: Section 23 (3) from operating as HEIs within the Republic of Zambia.

These deregistered institutions were gazetted in Gazette Notice No. 27 of 2020, which was published on Friday, 10th January, 2020.



Interview on Life TV

The Manager – Standards, Research and Institutional Audits, Dr. Orleans Mfune, appeared on Life TV's News Report Current Affairs Talk Show on 29th October, 2020. Among other topics of discussion on the live-phone-in programme, he discussed the increase in the number of HEIs that had resulted in the increase in the number of places available for students to enrol into and in the varied learning programmes from which to choose. This also placed an increased quality assurance activities on HEA.



Zed TV Breakfast Show

Dr. Mfune, whilst acting as Director - Quality Assurance, appeared on the live Zed TV's Ketchup Breakfast Show on 16th November, 2020. His interview expounded on the public announcement made by HEA concerning the use of the word 'university' by institutions that are not registered by the Authority.



The Update on ZNBC

During the early days of COVID-19, HEA's Corporate Communications Officer, Mr. Musoba, appeared on ZNBC's The Update to talk about COVID-19 and the measures in higher education.



Social Media

The Authority increased its digital presence through its Facebook page as was shown by the increase in the number of likes of the page from 14,025 at the beginning of the year to 22,993 by 31st December, 2020. This represented a 48.45% increase in the number of likes, which was far less than the 143.86% increase in 2019. This slowed increase was attributed to fewer articles and posts made during the period as compared to 2019 due to the reduction of activities as a result of the COVID-19 pandemic.

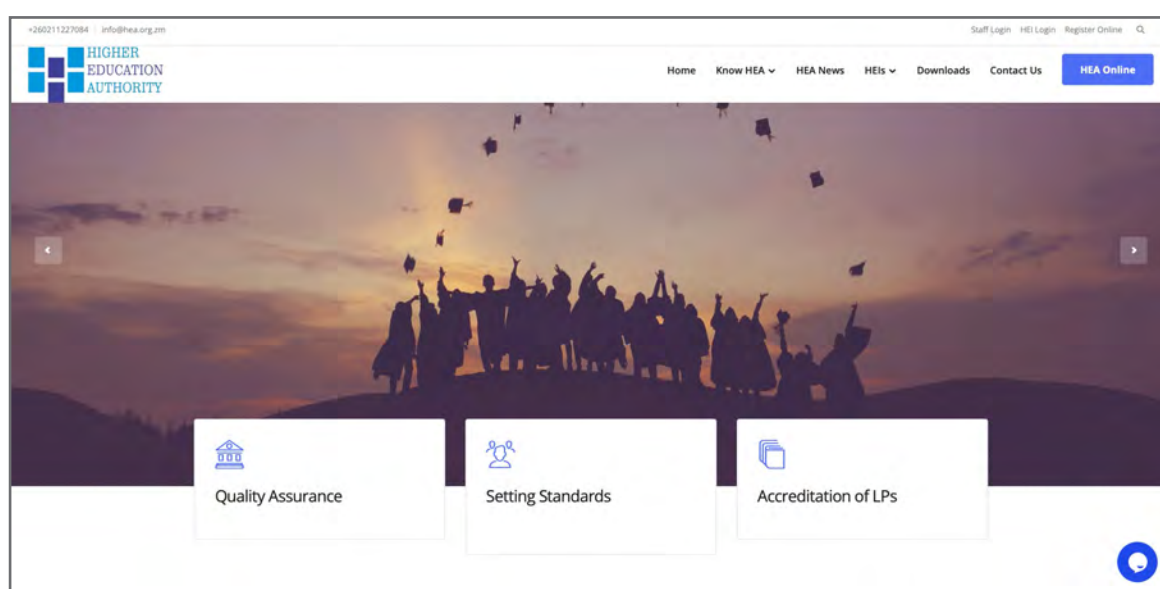
Moreover, HEA's post reach peaked at 10,934 which was exceedingly lower than the peak in 2019 at a height of 24,067. However, in 2020, the Authority's posts exceeded the 5,000 reach on 3 occasions.

Website

1. During the year 2020

During this period the Authority website was redeveloped to enhance the design and make it more interactive for the users. The backend platform was also changed to help the Integration with Higher Education Authority Integration Management Information System and to allow for more user friendly features. Further, the upgrade allowed for better tracking of how the user interacts with the website. This was implemented in order to enhance the user experience by understanding their needs.

2. New design look



3. Statistics for 2020

SN	Item	
1.	New Users	18,790
2.	Page sessions	2.38 pages per session
3.	Total Page Views	68,325
4.	Top 3 countries with the most visits	United States India Kenya
5.	Top 3 pages with the most visits (excluding home page)	Private HEIs page Downloads page Public HEIs page
6.	Top 3 Referrals	www.zaqa.org.zm www.en.m.wikipedia.org www.edenuniversity.edu.zm
7.	Top 5 Channels for acquisition of user	Organic Search Direct Other Referral Social

Events

HEA continued to host and attend events at which it expounded its mandate and reinforced its brand image in the eyes of the public. The events in total were 18 and some of them are highlighted below.

Learning Programme Evaluators Orientation Workshops



Participants of HEA's Orientation of LPEs in Kitwe at the Copperbelt University on 21st August, 2020

HEA held orientation workshops for Learning Programme Evaluators (LPEs) in Lusaka on 14th August, 2020, and Kitwe on 21st August, 2020. The LPEs were challenged to champion quality assurance in Zambia.

Meeting with Vice-Chancellors on the Classification of Academic Ranks and General Promotion Criteria

HEA held a validation meeting with Vice-Chancellors on the Classification of Academic Ranks and General Promotion Criteria on 28th February, 2020, at Golden Peacock Hotel in Lusaka.

Validation Meetings on the Zambia Standards & Guidelines for Quality Assurance

HEA held 2-day validation meetings on the Zambia Standards & Guidelines for Quality Assurance (ZSG-QA) in Higher Education from 26th – 27th November, 2020, at Mulungushi International Conference Centre in Lusaka.

The objective of the validation meetings was to obtain feedback from stakeholders on the developed standards and guidelines in order to have a document that will be anchored on mutual trust between HEA and HEIs.





MoHE Announces Opening of HEIs

HEA attended a meeting at MoHE at which the Honourable Minister of Higher Education, Dr. Brian Mushimba, MP., announced the modalities of reopening HEIs following the closure of the institutions due to the high number of COVID-19 cases.



HEA-UNESCO-Shenzhen Workshop

HEA held an HEA-UNESCO-Shenzhen Workshop on Capacity Building for Functions of External Quality Assurance Agencies 5th March, 2020, at Neelkanth Sarovar Premiere Hotel in Lusaka.

The workshop was an activity of component 2 of a UNESCO-Shenzhen project in which Zambia was participating with 9 other African countries. The component on which the workshop was based was focused on institutional capacity building of recently established quality assurance agencies like HEA.



A photograph of a library or bookstore with tall wooden bookshelves filled with books. A single lamp hangs from the ceiling, casting a warm glow. The lamp has a white, dome-shaped shade with Arabic calligraphy and a metal cage around the bulb. The text "petromax" is visible on the left side of the shade. The overall atmosphere is quiet and scholarly.

An efficient and effective higher education regulatory agency

List of Registered Higher Education Institutions

The Table below shows the list of registered HEIs as of December, 2020.

For contact details of each HEI, visit our website, www.hea.org.zm.

HEA continues to warn the general public not to enrol at any private institution not registered neither should they enrol in any learning programme from both private and public HEIs that have not been accredited as their qualifications will not be recognised.

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
1.	Africa Research University	Great East Road	HEA/001	February, 2016	FT and ODL	Lusaka
2.	African Christian University	Woodlands	HEA/011	March, 2016	FT	Lusaka
3.	African Open University	Ndola	HEA/059	June, 2017	ODL	Copperbelt
4.	Ambassador International University	Chongwe	HEA/060	August, 2016	FT	Lusaka
5.	Bethel University	Mongu	HEA/062	September, 2018	FT and ODL	Western
6.	Blessings University of Excellence	Lumumba Road	HEA/063	September, 2018	FT and ODL	Lusaka
7.	Brook Besor University	Kalundu Campus	HEA/071	December, 2018	FT and ODL	Lusaka
8.	Cavendish University	Great North Road	HEA/003	February, 2016	FT and ODL	Lusaka
		Longacres	HEA/070	September, 2018		
9.	Central African Baptist University	Kitwe	HEA/076	December, 2019	FT	Copperbelt
10.	Chreso University	Nangwenya Road	HEA/022	September, 2016	FT and ODL	Lusaka
11.	City University of Science and Technology	Provident House	HEA/041	December, 2016	FT and ODL	Lusaka
		Lusaka South	HEA/073	January, 2019		
12.	Copperstone University	Baluba	HEA/030	August, 2016	FT and ODL	Copperbelt
13.	DMI-St. Eugene University	Chibombo	HEA/023	June, 2016	FT and ODL	Central
		Chipata	HEA/024	June, 2016	FT and ODL	Eastern
14.	Eden University	Balastone Park	HEA/038	December, 2016	FT and ODL	Lusaka
15.	Evangelical University	Ndola	HEA/025	June, 2016	FT	Copperbelt
16.	Gideon Robert University	Lilayi	HEA/073	August, 2019	FT	Lusaka
		Town	HEA/033	August, 2016	FT and ODL	
17.	Harvest University	Woodlands	HEA/034	August, 2016	FT	Lusaka
18.	Justo Mwale University	Lusaka	HEA/015	March, 2016	FT and ODL	Lusaka
19.	Kenneth Kaunda Metropolitan University	Ibex Hill	HEA/016	March, 2016	FT and ODL	Lusaka
20.	LIUTEBM	Main	HEA/026	June, 2016	FT and ODL	Lusaka
21.	Lusaka Apex Medical University	Kasama Road	HEA/035	August, 2016	FT	Lusaka
		Charles Lwanga	HEA/066	September, 2018		
		Mutandwa	HEA/067	September, 2018		
		Olympia	HEA/068	September, 2018		
		Foxdale	HEA/072	February, 2019		
		Tick	HEA/069	September, 2018		
22.	Management College of Southern Africa (MANCOSA)	Lusaka	HEA/042	December, 2016	ODL	Lusaka
23.	Mansfield University	Town	HEA/048	March, 2017	FT	Lusaka
24.	Mosa University	Chibombo	HEA/056	June, 2017	FT	Central

25.	Northrise University	Kitwe-Ndola Dual Carriage Highway	HEA/005	February, 2016	FT and ODL	Copperbelt
26.	Oak University	Makishi Road	HEA/020	June, 2016	FT and ODL	Lusaka
27.	Open Window University	Kabulonga	HEA/082	Date	FT and ODL	Lusaka
28.	Paglory University	Main	HEA/017	March, 2016	FT and ODL	Central
29.	Rockview University	Main	HEA/036	August, 2016	FT and ODL	Lusaka
30.	Rusangu University	Monze	HEA/007	February, 2016	FT and ODL	Southern
		Lusaka	HEA/061	August, 2017		Lusaka
		Copperbelt	HEA/065	September, 2018		Copperbelt
31.	South Valley University	Main	HEA/043	December, 2016	ODL	Southern
32.	Southern University	Livingstone	HEA/008	February, 2016	FT and ODL	Southern
33.	St. Bonaventure University	Lusaka	HEA/064	September, 2018	FT	Lusaka
34.	St. Dominic's Major Seminary	Woodlands	HEA/006	February, 2016	FT	Lusaka
35.	Sunningdale University	Main	HEA/052	March, 2017	FT and ODL	Lusaka
36.	Supershine University	-	HEA/057	June, 2017	ODL	Lusaka
37.	Texila American University	Lake Road	HEA/021	June, 2016	FT and ODL	Lusaka
		Health Professions Foundation	HEA/075	July, 2019		
38.	The University of Barotseland	Mongu	HEA/040	December, 2016	FT and ODL	Western
39.	Trans-Africa Christian University	Kitwe	HEA/046	December, 2016	FT and ODL	Copperbelt
40.	Trinity University	Lusaka	HEA/018	March, 2016	FT	Lusaka
41.	Twin Palm Leadership University	Main	HEA/044	December, 2016	FT and ODL	Lusaka
42.	UNICAF (Zambia Limited) University	Lusaka	HEA/053	March, 2017	ODL	Lusaka
43.	United Church of Zambia University	Kitwe-Chingola Road	HEA/047	December, 2016	FT and ODL	Lusaka
44.	University of Africa	Lusaka	HEA/028	June, 2016	ODL	Lusaka
45.	University of Edenberg	Gleenwood Park	HEA/079	December, 2019		Copperbelt
46.	University of Lusaka	Pioneer	HEA/009	February, 2016	FT, Part Time and ODL	Lusaka
		Leopards Hill	HEA/074	July 2019		
47.	University of the Foundation for Cross-cultural Education	Luanshya	HEA/004	February, 2016	FT and ODL	Copperbelt
48.	Victoria Falls University of Technology	Livingstone	HEA/029	June, 2016	FT and ODL	Southern
49.	Zambia Catholic University	Kalulushi	HEA/019	March, 2016	FT and ODL	Copperbelt
50.	Zambian Christian University	Choma	HEA/054	March, 2017	FT and ODL	Southern
51.	Zambian Open University	Main	HEA/010	February, 2016	FT and ODL	Lusaka
52.	Zambian Royal Medical University	-	HEA/055	June, 2016	FT	Lusaka
53.	ZCAS University	Dedan Kimathi Road	HEA/039	December, 2016	FT and ODL	Lusaka

List of Recognised Public Higher Education Institutions

31

	Name of HEI	Establishment Date	Delivery Mode	Contacts	Province
1.	Chalimbana University	1939	FT	Private Bag E1, Lusaka.	Lusaka
2.	Copperbelt University (CBU)	1987	FT, Part Time and ODL	The Director External Relations Jambo Drive, Riverside P.O. Box 21692, Kitwe, Zambia	Copperbelt
3.	Kapasa Makasa University	20	FT	Chinsali, Muchinga Province 260 964 643 172	Muchinga
4.	Kwame Nkrumah University	1967	FT	The Registrar Kwame Nkrumah University P.O. Box 80404, Kabwe, Zambia	Copperbelt
5.	Levy Mwanawasa Medical University	2019	FT		
6.	Mukuba University	1974	FT	The Registrar Itimpi, off Chingola Road P.O. Box 20382, Kitwe, Zambia	Copperbelt
7.	Mulungushi University (MU)	2008	FT, Part Time and ODL	The Registrar Mulungushi University P.O Box 80415, Kabwe, Zambia	Central
8.	Palabana University	2020	FT		
9.	University of Zambia (UNZA)	1965	FT, Part Time and ODL	Central Administration Block Great East Road Campus, Lusaka P.O. Box 32379, Lusaka UNZA Ridgeway Campus P.O. Box 50110, Lusaka	Lusaka

2020 Higher Education Authority Audited Financial Report

The Audited Accounts have been published
as they appear in the audit.



HIGHER EDUCATION AUTHORITY

FINANCIAL STATEMENTS

31 December 2020

HIGHER EDUCATION AUTHORITY

GENERAL INFORMATION

31 December 2020



Country of incorporation	Zambia
Nature of business and principal activities	Higher Education Authority (HEA/the Authority) is a Statutory Institution established by the Higher Education Act No. 4 of 2013 to regulate, coordinate and monitor standards of Higher Education in Zambia.
Registered office	Mukuba Pension House Dedan Kimathi Road Lusaka
Business address	Mukuba Pension House P.O Box 50795 Dedan Kimathi Road Lusaka
Postal address	P.O Box 50795 Lusaka
Bankers	Investrust Bank Plc. ZANACO Bank Plc.
Auditors	AMG Global Chartered Accountants (Zambia) No. 6, Lagos Road Rhodes Park P.O Box 37893 Lusaka

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS
31 December 2020

The Directors are required, in terms of the Higher Education Authority Act, No. 4 of 2013, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRSs). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRSs and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

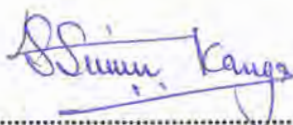
The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and places considerable importance on maintaining a strong control environment. To enable the Authority to meet these responsibilities, the Board sets standards for internal controls aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

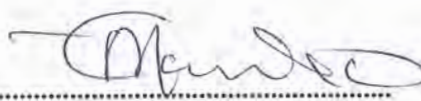
The Directors have reviewed the Authority's cash flow forecasts for the year ending 31 December 2021 and, in the light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Authority's financial statements. The financial statements have been examined by the Authority's external auditors and their report is presented on page 5 and 6.

The financial statements, set out on pages 8 to 23 which have been prepared on the going concern basis, were approved by the Board on 28th March 2022 and were signed on its behalf by:



DIRECTOR GENERAL



BOARD CHAIRPERSON

DIRECTORS' REPORT**31 December 2020**

Directors have pleasure in submitting their financial report for the year ended 31 December 2020.

1. Principal Mandate

The mandate of the Authority is to coordinate, regulate and monitor standards of Higher Education in Zambia in accordance with the Higher Education Act No. 4 of 2013.

2. Financial Results

The Authority's results for the year were as follows: -

	2020 ZMW	2019 ZMW
Income	2 276 346	3 394 903
Grants received	17 663 048	11 040 282
Total comprehensive deficit	(704 100)	(7 284 859)

3. Equipment

During the year the Authority acquired equipment worth ZMW1 013 498 (2019: ZMW236 121). The Authority did not dispose off any equipment. (2019: Motor vehicles with a cost of ZMW856 451 were disposed off).

4. Employees

The average number of employees during the year was 26(2019: 23) and their total remuneration was ZMW 11 790 241 (2019: ZMW 10 599 549).

5. Health and safety

The Authority is committed to ensuring the health, safety and welfare at work of its employees and for protecting other persons against risk to health or safety arising out of or in connection with the activities at work of those employees.

6. Gifts and Donations

There were no gifts and donations during the financial year (2019: Nil).

7. Directors

There was no sitting Board in 2020.

8. Other material facts, circumstances and events

The directors are not aware of any material facts, circumstances or events which occurred between the accounting date and the date of this report which might influence an assessment of the Authority's financial position or the results of its operations.

DIRECTORS' REPORT

31 December 2020

9. Annual Financial Statements

The Annual Financial Statements are set out on pages 8 to 23.

10. Auditors

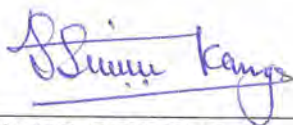
The Authority's auditors, AMG Global Chartered Accountants (Zambia), have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at an appropriate Board Meeting.

11. Registered Office

The registered office of the Authority is as follows: -

Mukuba Pension House
P.O Box 50795
Dedan Kimathi Road
Lusaka

By order of the Board:



DIRECTOR GENERAL

Date:

28th March 2022

Office address:
No. 6 Lagos Road
Rhodes Park
Lusaka
ZAMBIA

Mail address:
P.O Box 37893
Lusaka
ZAMBIA

Telephone (260)-211-251159
Fax: (260)-211-255145
Email: fridaynyambe@amgglobal.co.zm



Chartered Accountants
Zambia

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIGHER EDUCATION AUTHORITY

We have audited the accompanying financial statements of Higher Education Authority, set out on pages 7 to 23, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Higher Education Authority as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) (modified to take into account the nature of the organisation) and the requirements of the Higher Education Act, No. 4 of 2013.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

I. No Board of Authority

<i>The key audit matter</i>	<i>How the matter was addressed in the audit</i>
The Authority has had no Board of Authority since 2018 as provided for by the Higher Education Act No. 4 of 2013 after the expiry of the last Board in 2017.	We reviewed the meetings minutes and various correspondence between Management and the Permanent Secretary in the Ministry of Education.
The lack of adequate oversight, accountability and strategic direction provided by the Board of Authority is considered a key audit matter as it directly affects the Authority's mandate and operations of coordinating, regulating, and monitoring standards of Higher Education in Zambia in accordance with the Higher Education Act.	We also had discussions with Management with regard to the Authority's operations in the absence of the Board.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HIGHER EDUCATION AUTHORITY**



II. Revenue recognition of fees for services rendered

<i>The key audit matter</i>	<i>How the matter was addressed in the audit</i>
<p>The Authority recognised fees on receipt basis from the services rendered, instead of the accruals basis. The Authority did not have a comprehensive database of all the Learning Programmes being offered in all the Higher Education Institutions in the country and therefore not all Learning Programmes were accredited.</p> <p>This matter was considered a key audit matter because the fees are a significant source of income for the Authority to sustain its operations and are directly related to the Authority's mandate of coordinating, regulating and monitoring standards of Higher Education in Zambia in accordance with the Higher Education Act, No. 4 of 2013.</p>	<p>We reviewed the Authority's strategic plan and the various current collaborations, inspections and audits of Higher Education Institutions to ascertain how the Authority was encouraging the Higher Education Institutions to obtain accreditations for all their Learning Programmes.</p> <p>We also reviewed the Authority's policy on revenue recognition, the enforcement of the Higher Education Act, the related internal controls on fees collection and verified recorded receipts.</p>

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and in the manner required by the Higher Education Act, No. 4 of 2013, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HIGHER EDUCATION AUTHORITY**



- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events that achieve fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of the Higher Education Authority as of 31 December 2020 have been, in all material respects, properly prepared in accordance with the provisions of the Higher Education Act, No. 4 of 2013.

**AMG Global
Chartered Accountants**

**Dr. Friday Nyambe
PARTNER
M/PC No. 0001120**

DATE 31 March 2022

HIGHER EDUCATION AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2020

	Note	2020 ZMW	2019 ZMW
Income	2	2 276 346	3 394 903
Grants received	3	17 663 048	11 040 282
Total income		<u>19 939 394</u>	<u>14 435 185</u>
Expenditure		(20 643 494)	(21 720 044)
Total comprehensive deficit		<u>(704 100)</u>	<u>(7 284 859)</u>

HIGHER EDUCATION AUTHORITY


STATEMENT OF FINANCIAL POSITION
as at 31 December 2020

		2020 ZMW	2019 ZMW
	Note		
ASSETS			
Non current assets			
Equipment	8	2 862 231	2 668 885
Current assets			
Accounts receivables	9	188 172	209 804
Cash and cash equivalents	10	1 943 948	3 426 114
		2 132 120	3 635 918
Total assets		4 994 351	6 304 803
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds			
Opening balance		4 555 219	11 840 078
Total comprehensive deficit for the year		(704 100)	(7 284 859)
Total accumulated funds	11	3 851 119	4 555 219
Current liabilities			
Accounts payables	12	1 143 232	1 749 584
Total accumulated funds and liabilities		4 994 351	6 304 803

The financial statements on pages 8 to 23 were approved by the Board on 28/03/22 and were signed on their behalf by: -

DIRECTOR GENERAL

BOARD CHAIRPERSON

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

		2020 ZMW	2019 ZMW
	Note		
NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flows			
Operating deficit		(704 100)	(7 284 859)
Adjustments for items not affecting cash flows:			
Depreciation on equipment	8	820 152	1 042 941
Loss on disposal of equipment		-	513 280
Net operating cash flows before reinvestment in working capital		116 052	(5 728 638)
Decrease/(increase) in accounts receivables		21 632	(46 261)
(Decrease)/increase in accounts payables		(606 352)	589 451
Net cash flows from operating activities		(468 668)	(5 185 448)
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	8	(1 013 498)	(236 121)
Proceeds from disposal of equipment		-	182 570
		(1 013 498)	(53 551)
Decrease in cash and cash equivalents		(1 482 166)	(5 238 999)
Cash and cash equivalents at the beginning of the year		3 426 114	8 665 113
Cash and cash equivalents at the end of the year	10	1 943 948	3 426 114

The principal accounting policies of the Authority, which are set out below, are consistently followed in all material respects.

BASIS OF MEASUREMENT

These financial statements were prepared under the historical cost convention, except for financial assets classified as fair value through profit or loss (FVTPL).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Zambia Kwacha (ZMW), which is also the Authority's functional currency.

Judgement and estimates

The preparation of financial statements in compliance with IFRS requires Management to make certain critical accounting estimates. It also requires Management to exercise judgment in applying the Authority's accounting policies. The areas involving critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are:

- The classification of financial assets and liabilities;
- The residual values, the useful lives of property, plant and equipment and whether assets are impaired; and
- The classification of financial assets at FVTPL, which includes assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest on the principal amount outstanding.

The classification of financial instruments is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

In addition, the disclosures that Management deemed to be immaterial were excluded from the notes to the financial statements. The determination of the relevance and materiality of disclosures involved significant judgment.

ACCOUNTING POLICIES

31 December 2020

FUNCTIONAL CURRENCY AND TRANSLATION OF FOREIGN CURRENCIES

The functional and presentation currency is the Zambian Kwacha (ZMW). Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Foreign currency monetary balances are translated at the rate of exchange ruling at the end of the financial year. Exchange differences are taken to the statement of comprehensive income in the year in which they arise.

INCOME

Income is recognised to the extent that it is probable that economic benefits will flow to the entity and the income can be measured reliably.

Income from services rendered by the Authority is accounted for on accrual basis. Income represents accreditation, registration and related fees earned by the Authority from services provided.

Grants and non-monetary donations

Grants are accounted for when there is reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants are recognised when received. Non-monetary donations are accounted for when received at cash or fair value.

No provision is made for any grants pledged by cooperating partners but not received during the year.

Grants for revenue expenditure are recognised in the statement of comprehensive income during the period in which they are received. Grants for capital expenditure and donations of non-monetary assets are credited to the Capital Grant account at their cash or fair values. The Capital Grant is transferred to the statement of comprehensive income each year on a systematic and rational basis over the useful lives of the related assets.

NET FINANCING INCOME/COSTS

Net financing income/costs comprise interest payable on borrowings calculated using the effective interest rate method, bank interest receivable, foreign exchange gains and losses that are recognised in the statement of comprehensive income.

EQUIPMENT

Carrying amount

Items of equipment are stated at cost/valuation less accumulated depreciation and impairment losses.

Subsequent expenditure

Subsequent expenditure on items of equipment is capitalised only when it increases the future economic benefits embodied in the items of equipment. Non-current assets with a minimum value of ZMW 5, 000.00 are recognised at the time of acquisition with the exception of computers and its peripherals and transport equipment which are recognised despite the value being below ZMW 5,000.00.

Depreciation

Depreciation is calculated to write off the cost of non-current assets on a reducing balance method over the expected useful lives of the assets. The principal annual rates used are:

<u>Asset Class</u>	<u>Rate</u>
Leasehold and buildings	2.5%
Plant and machinery	25%
Motor vehicles	25%
Computers and peripherals	25%
Library books	25%
Furniture and fittings	20%
Office equipment	20%

ACCOUNTING POLICIES**31 December 2020**

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Authority's financial assets fall into this category. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Guidance note: Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it actually expects to receive ('cash shortfalls'). This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Trade and other receivables and contract assets

The Authority makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Authority uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial assets at fair value through other comprehensive income

The Authority recognises 12-month expected credit losses for financial assets at FVOCI. As most of these instruments have an outstanding credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Authority assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Authority relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Authority only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Authority would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Authority considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrower's operating results. Should any of these indicators imply a significant increase in the instrument's credit risk, the Authority recognises for this instrument or class of instruments the lifetime ECL.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Authority's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Authority's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Authority designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Derivative financial instruments and hedge accounting

The Authority applies the new hedge accounting requirements in IFRS 9 prospectively. All hedging relationships that were hedging relationships under IAS 39 at the 31 December 2019 reporting date meet the IFRS 9's criteria for hedge accounting at 1 January 2019 and are therefore regarded as continuing hedging relationships. Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

ACCOUNTING POLICIES**31 December 2020**

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the reporting periods under review, the Authority did not have any hedging investments.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

EMPLOYEE BENEFITS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Authority pays fixed contributions into an independent entity in relation to the State Plan. The Authority has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that relevant employee services are received. The cost of gratuity and annual leave are recognized during the period in which the employee renders the related service. Accruals for employee entitlement to gratuity and annual leave represent the present obligation, which the Authority has to pay as a result of the employee services provided to the reporting date.

Employee's liabilities are recognized for the amount expected to be paid for the gratuity and annual leave as the Authority has a present legal constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

PROVISIONS

A provision is recognised in the statements of financial position when the Authority has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

NEW STANDARDS AND INTERPRETATIONS

A number of new standards, amendments to standards and interpretations are mandatory for the year ended 31 December 2019, and have been adopted by the Authority where relevant to the Authority's operations.

NEW RELEVANT STANDARDS NOT YET EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted, however, the Authority has not early adopted them in preparing these financial statements.

Of those standards that are not yet effective, there are no standards which are expected to have a significant impact on the Authority's financial statements in the period of initial application.

1 STATUS AND ACTIVITIES

Higher Education Authority (HEA/the Authority) is an Authority established by an Act of Parliament, Higher Education Act, No. 4 of 2013. The functions of the Higher Education Authority (HEA) in summary are:

- 1) To register private Higher Education Institutions;
- 2) Accredit learning programmes offered in both the private and public Higher Education Institutions; and
- 3) Ensure quality assurance in the provision of higher education.

	2020 ZMW	2019 ZMW
2. INCOME		
Accreditation fees	1 387 399	2 073 500
Registration fees	210 000	355 000
Application fees	9 000	14 500
Annual student levy	20 368	34 448
Workshops and seminars	110 600	393 000
Registration of qualifications	400 000	130 000
Other income	138 979	394 455
	<u>2 276 346</u>	<u>3 394 903</u>
3. GRANT RECEIVED		
Government of the Republic of Zambia (Ministry of Finance)	17 663 048	10 932 033
Government of the Republic of Zambia (Ministry of Higher Education)	-	108 249
	<u>17 663 048</u>	<u>11 040 282</u>
4. BOARD AND COMMITTEES		
4.1 Analysis		
Board and committees	113 805	63 370
Board and committees: Recruitment costs	-	57 500
	<u>113 805</u>	<u>120 870</u>
4.2	Recruitment costs fall under responsibilities of the Board of Directors. In the absence of the Board was the Permanent Secretary and the Human Resource Committee.	
5. CONFERENCE AND LODGING		
Local conference and workshops	501 844	618 076
Local, Regional and International workshops	26 429	433 570
	<u>528 273</u>	<u>1 051 646</u>
6. OFFICE EXPENSES		
Office supplies	81 940	99 671

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

	2020 ZMW	2019 ZMW
7. PERSONAL EMOLUMENTS		
7.1 Analysis		
Salaries	9 359 791	8 487 157
Responsibility allowances	48 213	112 873
Various allowances	400	111 920
Leave	734 952	663 406
Gratuity	1 252 426	924 923
NAPSA – Employee contribution	292 756	214 628
Internship	43 500	71 000
National Health Insurance (NHI)	58 203	13 642
	<u>11 790 241</u>	<u>10 599 549</u>

7.2 The average number of employees during the year was 26 (2019:23).

8. EQUIPMENT

	Furniture and fittings ZMW	Motor vehicles ZMW	Computers and peripherals ZMW	Office equipment and accessories ZMW	Total ZMW
8.1 Cost/valuation					
At 31 December 2019	534 589	3 601 446	637 692	299 953	5 073 680
Additions	6 500	629 504	275 140	102 354	1 013 498
At 31 December 2020	<u>541 089</u>	<u>4 230 950</u>	<u>912 832</u>	<u>402 307</u>	<u>6 087 178</u>
8.2 Depreciation					
At 31 December 2019	237 334	1 838 786	251 731	76 944	2 404 795
Charge for the year	60 263	584 926	123 229	51 734	820 152
At 31 December 2020	<u>297 597</u>	<u>2 423 712</u>	<u>374 960</u>	<u>128 678</u>	<u>3 224 947</u>
8.3 Net book amount					
At 31 December 2020	<u>243 492</u>	<u>1 807 238</u>	<u>537 872</u>	<u>273 629</u>	<u>2 862 231</u>
At 31 December 2019	<u>297 255</u>	<u>1 762 660</u>	<u>385 961</u>	<u>223 009</u>	<u>2 668 885</u>

	2020 ZMW	2019 ZMW
9. ACCOUNTS RECEIVABLES		
Staff receivables	188 172	209 804
	<u> </u>	<u> </u>
10. CASH AND CASH EQUIVALENTS		
Cash at bank	1 943 948	3 426 114
	<u> </u>	<u> </u>
11. ACCUMULATED FUNDS		
Opening balance	4 555 219	11 840 078
Total comprehensive deficit for the year	(704 100)	(7 284 859)
Closing balance	<u>3 851 119</u>	<u>4 555 219</u>
12. ACCOUNTS PAYABLES		
Trade payables and accruals	156 189	153 689
Students Loans	25 822	-
Social welfare	32 683	-
Gratuity provision	-	869 027
Leave days provision	535 051	419 724
PAYE	278 364	243 117
NAPSA	43 279	36 743
NHI	71 846	27 284
	<u>1 143 234</u>	<u>1 749 584</u>

13. TAXATION

No provision for taxation has been made as the Authority is exempt from tax in terms of the Income Tax Act (as amended) of the Laws of Zambia (Chapter 323) under the Second Schedule, Paragraph 5.

14. RELATED PARTY TRANSACTIONS

- 14.1** HEA is an Agency of the GRZ which was created by an Act of Parliament and is controlled by GRZ through the Ministry of Higher Education (MoHE). There are other entities that are related to the Authority through common shareholdings or common directorship such as all line ministries and agencies.

	2020 ZMW	2019 ZMW
14.2 Analysis		
During the year, the following transactions occurred:		
Grants from GRZ		
Direct grants	17 663 048	11 040 282
	<u> </u>	<u> </u>
Directors' remuneration		
Board fees and allowances	113 805	63 370
	<u> </u>	<u> </u>

15. CAPITAL DISCLOSURE

The Authority is financed mainly through Government Grants and fees received from services rendered. It neither has debt nor Subordinated Instruments. The Authority's objectives in managing capital are:

- to meet the objectives as set out in the Higher Education Act and the relevant Statutory Instruments; and
- to meet its obligations as and when they fall due.

16. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities

Fair values

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Authority based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed Authority. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2020, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Fair value of the quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Risk management

Risk is inherent in the Authority's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Authority's continuing viable operations.

Exposure to currency, interest rate, credit, market, operational and liquidity risk arises in the normal course of the Authority's business.

(i) *Credit risk*

Credit risk is the risk of financial loss to the Authority if a counterparty to a financial instrument defaults on its contractual obligations. The Authority is subject to credit risk through its trading and investing activities. The Authority's primary exposure to credit risk arises through its investment securities, cash deposits, account receivables and cash equivalents. The Authority evaluates counterparties for credit worthiness where credit risk arises and there are no credit ratings readily available. The counterparties for investment securities and cash equivalents are Bank of Zambia (BOZ) and commercial banks licensed by Bank of Zambia.

The Authority does not hold any collateral to cover its credit risk associated with accounts receivables in respect of staff loans and advances except that the credit risk is mitigated by ensuring that staff loans and advances do not exceed the terminal benefits payable to employees.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

	On demand ZMW	Due within 3 months ZMW	Due between 3 – 12 months ZMW	Due more than 12 months ZMW	Total ZMW
Financial assets as at 31 December 2019					
Accounts receivables	-	-	209 804	-	209 804
Cash and cash equivalents	3 426 114	-	-	-	3 426 114
	<u>3 426 114</u>	<u>-</u>	<u>209 804</u>	<u>-</u>	<u>3 635 918</u>
Financial liabilities as 31 December 2019					
Account payables	-	307 144	573 413	869 027	1 749 584
	<u>-</u>	<u>307 144</u>	<u>573 413</u>	<u>869 027</u>	<u>1 749 584</u>
Liquidity gap	<u>3 426 114</u>	<u>(307 114)</u>	<u>(363 609)</u>	<u>(869 027)</u>	<u>1 886 334</u>

(v) Currency risk

This is the risk that the Authority is exposed to unfavourable exchange rate movements on mismatched spot or forward positions in a foreign currency deal.

The Authority incurs foreign currency risk on capital contribution receivables and purchases that are denominated in a currency other than the Zambian Kwacha. The currency giving rise to this risk is principally the United States Dollar.

Currency risk is, however, managed by ensuring, as far as possible, that available foreign currency denominated liquid assets are reserved for payment of foreign currency denominated liabilities.

17. COMMITMENTS

There were no capital commitments as at 31 December 2020. (2019: Nil).

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2020. (2019: Nil)

19. COMPARATIVE FIGURES

Comparative figures are restated where necessary to afford a reasonable comparison.

20. EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Authority, the results of those operations or the state of affairs of the Authority in subsequent financial years.

HIGHER EDUCATION AUTHORITY

DETAILED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2020

		2020 ZMW	2019 ZMW
	Note		
Income			
Accreditation fees		1 387 399	2 073 500
Registration fees		210 000	355 000
Application fees		9 000	14 500
Annual student levy		20 368	34 448
Workshops and seminars		110 600	393 000
Registration of qualifications		400 000	130 000
Other income		138 979	394 455
	2	2 276 346	3 394 903
Grant received			
Government of the Republic of Zambia	3	17 663 048	11 040 282
Total income		19 939 394	14 435 185
Expenditure			
Advertising promotion and souvenirs		6 540	110 173
Appraisal of records		101 600	-
Accounting software		40 426	-
Annual reports		61 675	41 411
Audit of Higher Education Institutions		11 900	-
Audit fees		70 000	71 000
Bank charges		8 080	7 939
Board and committees	4	113 805	120 870
Budget preparations		309 367	86 250
Building repairs and maintenance		-	20 040
Classification of Higher Education Institutions		133 288	-
Cleaning		120 365	15 687
Conference and lodging	5	528 273	1 051 646
Continuous Development programme		10 305	25 217
Depreciation charge	8	820 152	1 042 941
Development of core elements for Learning Programmes		92 769	-
Development of Quality Assurance standards and policies		367 705	-
Dissemination of information		63 450	39 953
Fuel and lubricants		81 000	112 660
Accreditation of Learning Programmes		1 285 983	2 115 071
Inspection procedures		75 452	40 000
Institution membership		-	12 971
Insurance and road taxes		166 647	130 069
Internet services		191 563	239 595
Legal fees		121 200	147 320
Low value assets		29 568	1 000
Loss on disposal of equipment		-	513 280
Maintenance of office equipment		10 722	17 950
Management information systems		436 851	-
Motor vehicle repairs and maintenance		142 051	42 248
National and international policies		201 140	98 130
Subtotal carried forward		5 601 877	6 103 421

HIGHER EDUCATION AUTHORITY

DETAILED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2020

	Note	2020 ZMW	2019 ZMW
Subtotal carried forward		5 601 877	6 103 421
Office equipment		-	-
Office expenses	6	81 940	99 671
Orientation of Experts		77 939	146 656
Personal emoluments	7	11 790 241	10 599 549
Post office tax rentals		-	6 500
Printing and stationery		216 760	179 565
Procurement committee meeting		69 675	81 354
Public functions and commemorations		-	429 667
Registration of qualifications with Zambia Qualifications Authority		265 000	-
Records search fees		-	3 600
Registration of Higher Education Institutions		114 288	-
Rentals and rates		1 081 308	1 081 578
Recruitment costs		89 750	-
Research report		198 512	74 740
Review of legal framework		343 618	65 843
Software expenses		157 310	21 359
Staff team building		5 612	-
Staff health scheme		244 875	332 979
Strategic planning		-	215 989
Subscription to professional bodies		21 929	23 536
Sundry expenses		48 341	36 480
Surveillances of Higher Education Institutions		12 550	3 940
Telephone and postage		10 923	15 293
UNESCO expenses		211 046	296 809
Website management		-	77 043
Zambia National Education Conference		-	1 824 472
Total expenditure		20 643 494	21 720 044
Deficit for the year		(704 100)	(7 284 859)

Higher Education Authority

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