



"Ensuring Quality in Higher Education"



2019

ANNUAL REPORT



Higher Education Authority

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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.

STAY ON

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Abbreviations and Acronyms

7NDP	Seventh National Development Plan
ACS	Agriculture and Commercial Show
APAS	Annual Performance Appraisal System
HEA	Higher Education Authority
HEIs	Higher Education Institutions
LPEs	Learning Programmes Experts
LPs	Learning Programmes
MIS	Management Information System
MoU	Memorandum of Understanding
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
UNZA	University of Zambia
ZAQA	Zambia Qualifications Authority
ZITF	Zambia International Trade Fair

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.



Our Team

Management Team



Prof. Stephen Simukanga,
Director-General



Dr. Vitalicy Chifwepa,
Director – Quality Assurance



Mr. Ronald Chulu,
Manager – Finance



Mrs. Elizabeth Namonje Hamvumba,
Manager – Programme Accreditation



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

HEA Management and Staff



(Front Row L-R) Mr. Ronald Chulu, Manager – Finance; Dr. Vitalicy Chifwepa, Director – Quality Assurance; Professor Stephen Simukanga, Director General; Mrs. Elizabeth N. Hamvumba, Manager - Programme Accreditation; and, Dr. Orleans Mfune, Manager – Standards, Research & Institutional Audits

(Back Row L-R) Mr. Birbal Boniface Musoba, Corporate Communications Officer; Ms. Mitchell Chiyala, Standards and Research Officer; Mr. Denny Nsokolo, Senior Standards and Research Officer; Ms. Bertha Miyanda, Inspector – Institutional Audits; Mrs. Betty Mwiinga Lungu, Documentation and Registry Officer; Mrs. Getrude Mweetwa Mubika, Personal Assistant to the Director General; Mr. Frank Mutale, Programme Accreditation Officer; Mr. Prince Phiri, Office Assistant; Mr. Milimo Haketa, Human Resource Officer (2018 – 2019); Mr. Suzyo Soko, Senior Inspector – Institutional Audits; Mr. Martin Mushumba, Senior Programme Accreditation Officer; Mr. Mwansa Kabanda, Inspector – Institutional Audits; Mr. Kabungo Chembe, Inspector – Institutional Audits; Mr. Thomas Monde, Purchasing and Supplies Officer; and, Mr. Muyase Phiri, Inspector – Institutional Audits.

2019 Highlights

Income: **14,435,185**

Expenditure: **21,720,044**

Deficit: **7,284,859**

218

No. of Accredited LPs



No. of Institutional Audits

23

9

No. of Deregistered Institutions



Facebook Growth

512.31%

42

No. of Newsletters



No. of Inspections and Surveillances

59

53

No. of Registered HEIs



No. of LP Experts Trained

141

”

A Message from the Permanent Secretary, Ministry of Higher Education

I am pleased to present the 2019 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 as outlined in the 2018 - 2021 Strategic Plan 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

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A Message from the Director-General

The Higher Education Authority continued to build on the successes of 2018 in a number of important targets. These successes came against a backdrop of austerity measures instituted by the Government of the Republic of Zambia which negatively affected some operations. Thus, the Authority scored major successes in the following:

Programme Accreditation

In 2019, the number of accredited Learning Programmes from public and private Higher Education Institutions increased to 218, representing a 46.62% increase compared to 2018. This number came from 28 private and 6 public Higher Education Institutions, totalling 34 Higher Education Institutions that submitted Learning Programmes for accreditation.

Further, to increase the accreditation process, the Authority identified and trained 141 new Learning Programmes Experts during the period under review. Among those trained were Learning Programmes Experts recruited from other countries in the SADC Region. This increased the number of experts in the database to 246 Learning Programmes Experts.

Despite this increase in the number of trained Learning Programmes Experts, it was observed that there were still some academic fields in which Zambia did not have sufficiently qualified expertise for the purpose of accreditation of Learning Programmes.

Registration of New Higher Education Institutions and Campuses

The Authority registered two (2) new Higher Education Institutions and registered 7 new campuses of existing registered Higher Education Institutions.

Institutional Audits

The Authority conducted 23 institutional audits in 2019 compared to the three (3) that were conducted in 2018.

Inspections and Surveillances

The Authority conducted 42 inspections of registered Higher Education Institutions and surveillances in four (4) provinces, namely, Southern, Central, Copperbelt and Lusaka Provinces. The inspections resulted in the deregistration of eight (8) Higher Education Institutions, whilst the



surveillances resulted in the closing of operations of 17 institutions illegally operating as Higher Education Institutions.

Stakeholder Engagement

To increase awareness of the Authority's mandate and to better serve its stakeholders, the Authority continued engaging with the public through hosting and attending of 18 public events, and the publishing of 42 newsletters. Further, the Authority continued with social media interactions which led to 512.31% growth compared to 2018.

Professor Stephen Simukanga

Director-General
Higher Education Authority



Introduction



The 2019 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 2019. In particular, the Authority recorded an increase in the number of accredited Learning Programmes (LPs) by 46.62% compared to 2018. In addition, the Authority registered an increase in the number of institutional audits from three (3) in 2018 to 23 in 2019. Furthermore, the number of inspections of registered Higher Education Institutions (HEIs) and surveillances of unregistered institutions increased.

The report is presented in four (4) sections. The first section highlights 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 of HEIs, accreditation of LPs, inspections, surveillances and institutional audits.

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

The Audited Financial Statements for the year 2019 are presented in the fourth section.

Staff Updates

In 2019, HEA filled some positions that were vacant in its establishment. Among the positions that were filled were Senior Information Technology Officer and Office Assistant, as shown below.



Mr. Francis Kawesha
was recruited as Senior Information Technology Officer. Mr. Kawesha joined HEA on July, 2019.



Mr. Thabani Sakala
was appointed to the position of Office Assistant.

In addition, a number of Staff were promoted to new positions as indicated below.



Mrs. Patricia Bwalya
was promoted to the position of Accountant - Expenditure from Assistant Accountant. Mrs. Bwalya was previously appointed as Assistant Accountant on 1st June, 2017.



Mr. Christopher Imakando
was promoted to the position of Purchasing and Supplies Assistant. Mr. Imakando was previously employed at HEA as a Driver on 1st May, 2017

Further, 14 members of Staff were confirmed in their respective positions.

On 27th September, 2019, HEA bid farewell to Mr. Milimo Haketa who served as Human Resources Officer. The Authority wished Mr. Haketa the very best in his future endeavours.

Quality Assurance Activities

In 2019, HEA continued to make progress in a number of quality assurance activities. These activities included the registration and inspections of Higher Education Institutions (HEIs), surveillances of unregistered institutions, and accreditation of Learning Programmes (LPs).

Registration of HEIs and Campuses

The Authority continued to receive applications from various applicants for registration as new HEIs. During the period, 11 applications for new HEIs were processed, which resulted in the approval of 2 applicants to operate as HEIs. The newly registered HEIs were Central Africa Baptist University and University of Edenberg.

Further, 10 applications for new campuses were processed and resulted in the approval of seven (7) new campuses to operate. The campuses were for the following HEIs: Africa Research University, Chreso University (Ndola Campus), City University of Technology and Science (Lusaka South Campus), Gideon Robert University (Lilayi Campus), Livingstone International University of Tourism Excellence and Business Management (LIUTEBM), Rockview University, and University of Lusaka (Leopard's Hill Campus).

Moreover, there were 7 recognised public HEIs, namely, the University of Zambia (UNZA), Copperbelt University (CBU), Mulungushi University, Chalimbana University, Robert Kapasa Makasa University, Mukuba University, and Kwame Nkrumah University.

Institutional Audits

In 2019, HEA conducted 23 institutional audits. The following registered HEIs were audited: Africa Christian University, Ambassador International University, Cavendish University, Gideon Robert University, Justo Mwale University, Lusaka Apex Medical University, Mansfield University, Paglory University, Pamodzi University, South Valley University, Southern University, St. Dominic Seminary, Sunningdale University, Texila American University, Trinity University, Twin Palm Leadership University, UNICAF University, United Church of Zambia (UCZ) University, University of Africa, University of Lusaka, Victoria Falls University, Zambian Open University, and ZCAS University.

Through institutional audits, the weaknesses and strengths of each HEI were identified and the HEIs were asked to develop improvement plans in order to address their weaknesses. The improvement plans were to be monitored by the Inspectorate Unit to ensure that they were effectively implemented.

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.

These inspections and surveillances resulted in the following:

- 1) The closure of 17 institutions which were operating without registration.
- 2) The deregistration of 8 HEIs, namely, Citizen University, Damelin University Eastern University, John David University, Pamodzi University, Silver University, Southern Acacia University, and University of East and Southern Africa.
- 3) Undertaking of remedial measures by erring institutions.

Standards and Research

A number of activities were successfully undertaken in Standards and Research. These included data collection for the inaugural State of Higher Education Report, updating of HEI quality assurance tools, development of new procedures for registration of HEIs, development of criteria for classification of HEIs, and development of general academic staff promotions criteria.

The State of Higher Education Report

The Higher Education Act No. 4 of 2016, Section 6 (b) requires that the Authority publishes the State of Higher Education Report on an annual basis. Thus, in 2019, HEA began the process of drafting and publishing the inaugural report, named 'The State of Higher Education in Zambia 2019: 5 Decades of University Education'.



Dr. Mutumba Bull, who was the first woman to obtain a PhD in the country, gives a tour of her house in Lusaka during her interview as part of the data collection for the State of Higher Education Report 2019.



Former UNZA Vice-Chancellor and former Bank of Zambia Governor, **Dr. Jacob Mwanza**, gives HEA Manager for Standards, Research and Institutional Audits, **Dr. Orleans Mfuné** (L), a tour of his garden during interviews conducted as part of data collection for the State of Higher Education Report 2019.

HEA began the development of criteria for classification of HEIs. The goal of the classification system is not to rank the HEIs, but rather to provide a basis for guiding learners and the public on the level of education that can be offered by an HEI based on its human resources, physical resources and research capacity. The classification system is also a quality assurance tool that instils confidence in the public on the ability of an HEI to offer any type of education falling within the classification in which the institution has been registered.

HEA will begin classifying HEIs in 2020 and will publish the first classifications in 2021.

Development of New Procedures for Registration of HEIs

In 2019, HEA continued to work on the review of processes and tools for registering HEIs. The review led to the approval of a three-stage registration process. The stages are:

- 1) A desk review of HEIs policies and documents submitted for application;
- 2) A site inspection for HEIs that pass the first stage; and,
- 3) A panel hearing where prospective HEI proprietors present their proposal to set up an HEI to a panel.

Academic Ranks and General Promotion Criteria

Since the liberalisation of higher education in Zambia, the sector has operated without a harmonised academic ranking system and a general promotion criterion that espouses the expectations of what society and other actors expect of Zambian academics in terms of research, teaching and community service.

In order to address this gap in our higher education system, HEA developed a national academic ranks system and general promotion criteria, and is earmarked for gazetting in the Government Gazette.

Accreditation of Learning Programmes

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

In 2019, HEA continued to receive and process LPs from various HEIs which included institutions that were applying for registration as HEIs. Out of the LPs submitted from 28 private and 6 public HEIs, 379 LPs completed the accreditation cycle. This represented a 53.66% increase from 2018 in the number of LPs that completed the cycle, continuing the trend of more LPs being evaluated.

Further, 218 LPs were accredited whilst 161 were rejected. Compared to 2018, there was a 46.62% increase in the LPs accredited in 2019.

CATEGORIES	NO. OF ACCREDITED LPS PER CATEGORY	
Category 1	Agriculture and Nature conservation	8
Category 2	Creative arts	0
Category 3	Business, Commerce and Management Studies	61
Category 4	Communication Studies and Languages	4
Category 5	Education, Training and Development	57
Category 6	Manufacturing, Engineering and Technology	9
Category 7	Humanities and Social Sciences	43
Category 8	Law, Military Science and Security	3
Category 9	Health Sciences	17
Category 10	Physical, Mathematics, Computer and Life Sciences	11
Category 11	Services	1
Category 12	Physical Planning and Construction	4
	Total LPs Accredited	218



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ENSURING QUALITY IN HIGHER EDUCATION

Corporate Services

In the year under review, HEA conducted a number of corporate services activities, which included the development of the Integrated Management Information System (IMIS) and continued its interactions with HEA's clients, stakeholders, and the general public through TV and radio appearances in order to ensure quality delivery of services and enhance its public image. This was achieved through correspondences, newsletters, social media, website, and through hosting and attending public and national events.

Management Information Systems

The Authority started developing the IMIS through an MoU with UNZA. The IMIS is intended to automate and enhance HEA's management and technical systems in order to improve and modernise operations.

By the end of 2019, a prototype of the registration and accreditation modules were developed.

Client and Stakeholder Engagement

HEA continued to issue newsletters digitally, having had issued 42 newsletters to its 878 subscribers. Thus, in 2019, an average of 29% of its subscribers read each issue of the newsletter.

The newsletters included headlines on the Zambia National Education Conference 2019, HEA's Giving Away Prizes at the Zambia International Trade Fair (ZITF), the Launch of the Strategic Plan, HEA and Lusaka City Council's Joint Inspection of Oak University, the Vice-Chancellors' Breakfast Meeting, the National Seminar on Enhancement of Quality Management, and HEA winning 3rd Best regulator at the Agriculture and Commercial Show.

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



*The **Director General, Prof. Simukanga** gave an interview to ZNBC during the Agriculture and Commercial Show (ACS), interpreting the theme for the Show in relation to HEA's mandate.*



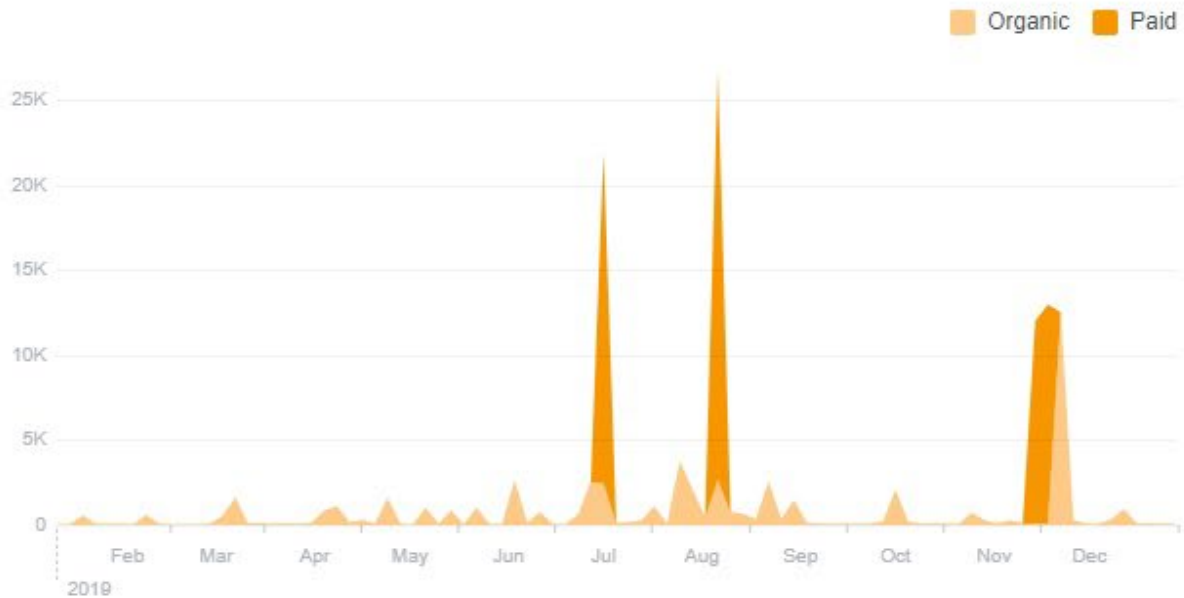
The Authority held a press briefing to announce the officially registered Higher Education Institutions (HEIs) and their campuses. During the press briefing, HEA announced that it had registered 55 private Higher Education Institutions (HEIs), which combined had a total of 61 campuses across the country, as of 16th October, 2019.



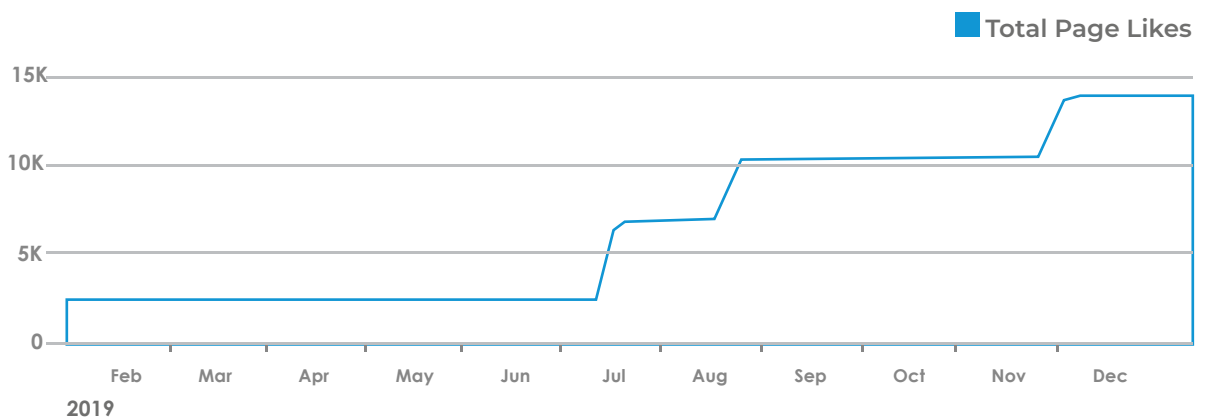
The Director – Quality Assurance, Dr. Chifwepa, represented HEA when he appeared on ZNBC's National Watch programme with the CEOs of the Zambia Institute of Advanced Legal Education (ZIALE), Mrs. Ann Malata-Ononuju, and Zambia Qualifications Authority (ZAQA), Mrs. Mirriam Chiyaba, discussing the state of higher education in Zambia. The programme aired on 27th October, 2019.

The Authority increased its digital presence through its Facebook page as was shown by the increase in the number of page likes from 2,290 at the beginning of the year to 14,022 by 31st December, 2019. This translated into HEA's posts reaching a height of 24,067 in August 2019 during the ACS, where HEA won 3rd Place.

Facebook Post Reach



Facebook Likes Growth



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. These events in total were 18 and some of them are highlighted below.

Visiting the Founding President of the Republic of Zambia



HEA Management and Staff visited the Founding President of the Republic of Zambia, **Dr. Kenneth Kaunda**, in order to conduct an interview for data collection for the inaugural State of Higher Education Report. The purpose of the visit was to gain insight into what led Zambia to have its first university and how the newly independent nation functioned with few university graduates.

Meeting the New Minister of Higher Education



On 13th August, 2019, HEA, in the company of ZAQA, had an official introductory meeting with the then newly appointed Honourable Minister of Higher Education, **Dr. Mushimba, MP**. During the meeting, HEA gave an overview of its mandate and its operations.

2018 – 2021 Strategic Plan Launch



HEA finalised the development of its 2018 – 2021 Strategic Plan and it was launched by then Minister of Higher Education, **Honourable Professor Nkandu Luo, MP.**, on Friday, 29th March, 2019, at Mulungushi International Conference Centre.

The launch included 125 invited guests, excluding HEA Management and Staff and the Media. The guests included Members of the Committee on Education, Science and Technology, Permanent Secretaries and Directors from Government Ministries, CEOs of Government Authorities, Vice-Chancellors of both public and private HEIs, Cooperating Partners, Non-Governmental Organisations, and Civil Society Organisations, amongst others.

Zambia National Education Conference (ZNEC) 2019



HEA co-hosted the Zambia National Education Conference (ZNEC) 2019, a National Education Conference and Exhibition organised by the Ministries of General and Higher Education and Envoys Zambia, from 15th – 17th January, 2019, at Mulungushi International Conference Centre in Lusaka.



The Conference was held in an effort to engage the Academia, Professionals, Educational Experts and Industry with a view to improving the education system in the country through interrogating the education system in Zambia and the extent to which it responds to the national requirements of human capital in the country.

The Conference was held in collaboration with the stakeholders from various Government Ministries, Cooperating Partners, Non-Governmental Organisations, Civil Society Organisations, Faith Based Organisations, Private Sector, Parliamentarians, Traditional Leaders, Civic Leaders, Universities, Colleges, Vocational and Skills Training Institutions, and Schools, Prominent Educationists and Academics, Profound Researchers, Eminent Local Persons and International Experts in various fields.



Members of the Parliamentary Committee on Education, Science and Technology attended the Conference.

Zambia Education Expo

HEA participated in a three (3) day Education Expo in March 2019, at East Park Mall in Lusaka. The Expo provided an opportunity for HEA to interact and converse with Secondary School Pupils and Youths in communities on higher education and HEIs in order to help them better decide on their careers, colleges and universities.

Meetings with key stakeholders in higher education

A total of 31 stakeholder engagement meetings were conducted during this period including an appearance before the Parliamentary Committee on Education, Science and Technology. Other meetings were held with the Zambia Institute for Policy Analysis & Research (ZIPAR), and the Zambia Institute of Banking and Financial Services.

UNESCO Regional Office for Southern Africa (UNESCO-ROSA) Capacity Building Meeting for Quality Assurance in Higher Education in Southern African Development Community (SADC)



The UNESCO-ROSA meeting was held at Radisson Blu Hotel in Lusaka. The meeting was launched by the Director-General on 3rd April 2019, at Radisson Blu Hotel.

The UNESCO-ROSA Capacity Building Meeting was held to provide a platform for sharing experiences on quality assurance, policy development and implementation and in order to discuss the SADC Technical Committee on Certification and Accreditation (TCCA) programme of implementation of regional Quality Assurance Guidelines.

The Meeting aimed at creating an understanding of implementing national qualifications frameworks as a basis for quality assurance and arriving at a common understanding of learning outcomes and its implications for quality assurance

Zambia International Trade Fair (ZITF)



HEA participated in the Zambia International Trade Fair which was held in Ndola from 26th June – 2nd July, 2019.

During the event, HEA gave away branded HEA items in order to boost its brand recognition. These items included 70 Flash Drives, 70 Key Holders, 70 Note Books and 10 Strategic Plan.

Agriculture and Commercial Show



HEA participated in the Agriculture and Commercial Show (ACS) which was held from 31st July – 5th August, 2019, under the theme, "Embracing Industrial Development."

HEA participated jointly with the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), the Zambia Qualifications Authority (ZAQA), the Zambia Institute of Advanced Legal Education (ZIALE), and the Higher Education Loans and Scholarship Board (HELSB).

Through its participation, HEA was awarded Third Position in the category of Best Regulatory Exhibit, marking HEA's first ever institutional award. HEA was awarded this prize as it domesticated the ACS's theme highlighting the road to a quality higher education system through landmark achievements since 2014.



National Seminar on Enhancement of Quality Management in Higher Education Institutions (HEIs) in Zambia



The Seminar was held from 24th - 25th July, 2019, at Golden Peacock Hotel in Lusaka, for the purpose of exposing Zambians to quality assurance management in higher education. This seminar was held in collaboration with UNESCO.

Thus, the ultimate goal of the seminar was to build HEIs' capacity in the development of quality assurance systems in order to foster a culture of quality in Zambia's higher education sector. The Seminar was officiated by the former Permanent Secretary in the Ministry of Higher Education, Mr. Mabvuto Sakala.

Vice-Chancellors' Breakfast Meeting



HEA hosted a breakfast meeting for Vice-Chancellors of all HEIs on 12th July, 2019, at Golden Peacock Hotel in Lusaka. The purpose of the Breakfast was to continue enhancing quality in HEIs through engaging the key stakeholders at the HEIs.

HEA presented on the proposed amendments to the Higher Education Act, and listened to feedback from the Vice-Chancellors.

Budgeting for 2019

HEA held a budgeting workshop at which it developed the 2020 Budget. The budget was prepared and presented to the Ministry of Higher Education. The Workshop was held from 12th – 23rd August, 2019.

Higher Education Amendment Bill with Ministry of Justice

HEA held a workshop with the Ministry of Justice to consolidate the amendments proposed to the Higher Education Act. This workshop was held from 10th – 13th September, 2019.

Effective Teaching in Higher Education Workshop



A training workshop in Effective Teaching was held from 3rd – 5th December, 2019 in Lusaka, at Golden Peacock Hotel. The workshop was designed to build capacity in Higher Education Institution (HEI) lecturers in effective teaching in their fields of expertise.



List of Registered Higher Education Institutions

The Table below shows the list of registered HEIs as of 31st December, 2019. For contact details of each HEI, visit our website, www.hea.org.zm.

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
1.	Africa Research University	Great East Road Campus	HEA/001	February, 2016	FT and ODL	Lusaka
2.	African Christian University	Woodlands Campus	HEA/011	March, 2016	FT	Lusaka
3.	African Open University	Ndola Campus	HEA/059	June, 2017	ODL	Copperbelt
4.	Ambassador International University	Chongwe Campus	HEA/060	August, 2016	FT	Lusaka
5.	Bethel University	Mongu Campus	HEA/062	September, 2018	FT and ODL	Western
6.	Blessings University of Excellence	Lumumba Road Campus	HEA/063	September, 2018	FT and ODL	Lusaka

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
7.	Brook Besor University	No Registered Campus	HEA/071	December, 2018	FT and ODL	Lusaka
8.	Cavendish University	Great North Road Campus	HEA/003	February, 2016	FT and ODL	Lusaka
		Longacres Campus	HEA/070	September, 2018		
9.	Central African Baptist University	Kitwe Campus	HEA/076	December, 2019	FT	Copperbelt
10.	Chreso University	Nangwenya Road Campus	HEA/022	September, 2016	FT and ODL	Lusaka
11.	City University of Science and Technology	Provident House Campus	HEA/041	December, 2016	FT and ODL	Lusaka
		Lusaka South Campus	HEA/080	January, 2019		
12.	Copperstone University	Baluba Campus	HEA/030	August, 2016	FT and ODL	Copperbelt
13.	DMI-St. Eugene University	Chibombo Campus	HEA/023	June, 2016	FT and ODL	Central
		Chipata Campus	HEA/024	June, 2016	FT and ODL	Eastern

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
14.	Eden University	Balastone Park Campus	HEA/038	December, 2016	FT and ODL	Lusaka
15.	Evangelical University	Ndola Campus	HEA/025	June, 2016	FT	Copperbelt
16.	Gideon Robert University	Lilayi Campus	HEA/073	August, 2019	FT	Lusaka
		Town Campus	HEA/033	August, 2016	FT and ODL	
17.	Greenlight University	Main Campus	HEA/013	March, 2016	ODL	Lusaka
18.	Harvest University	Woodlands Campus	HEA/034	August, 2016	FT	Lusaka
19.	Justo Mwale University	Lusaka Campus	HEA/015	March, 2016	FT and ODL	Lusaka
20.	Kenneth Kaunda Metropolitan University	Ibex Hill Campus	HEA/016	March, 2016	FT and ODL	Lusaka

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
21.	LIUTEBM	Main Campus	HEA/026	June, 2016	FT and ODL	Lusaka
22.	Lusaka Apex Medical University	Kasama Road Campus	HEA/035	August, 2016	FT	Lusaka
		Charles Lwanga Campus	HEA/066	September, 2018		
		Mutandwa Campus	HEA/067	September, 2018		
		Olympia Campus	HEA/068	September, 2018		
		Foxdale Campus	HEA/072	February, 2019		
		Tick Campus	HEA/069	September, 2018		
23.	Management College of Southern Africa (MANCOSA)	Lusaka Campus	HEA/042	December, 2016	ODL	Lusaka
24.	Mansfield University	Town Campus	HEA/048	March, 2017	FT	Lusaka
25.	Mosa University	Chibombo Campus	HEA/056	June, 2017	FT	Central
26.	Northrise University	Kitwe-Ndola Dual Carriage Highway	HEA/005	February, 2016	FT and ODL	Copperbelt

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
27.	Oak University	Makishi Road Campus	HEA/020	June, 2016	FT and ODL	Lusaka
28.	Paglory University	Main Campus	HEA/017	March, 2016	FT and ODL	Central
29.	Rockview University	Main Campus	HEA/036	August, 2016	FT and ODL	Lusaka
30.	Rusangu University	Monze Campus	HEA/007	February, 2016	FT and ODL	Southern
		Lusaka Campus	HEA/061	August, 2017		Lusaka
		Copperbelt Campus	HEA/065	September, 2018		Copperbelt
31.	South Valley University	Main Campus	HEA/043	December, 2016	ODL	Southern
32.	Southern University	Livingstone Campus	HEA/008	February, 2016	FT and ODL	Southern
33.	St. Bonaventure University	Lusaka Campus	HEA/064	September, 2018	FT	Lusaka

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
34.	St. Dominic's Major Seminary	Woodlands Campus	HEA/006	February, 2016	FT	Lusaka
35.	Sunningdale University	Main Campus	HEA/052	March, 2017	FT and ODL	Lusaka
36.	Supershine University	No Registered Campus	HEA/057	June, 2017	ODL	Lusaka
37.	Texila American University	Lake Road Campus	HEA/021	June, 2016	FT and ODL	Lusaka
		Health Professions Foundation Campus	HEA/075	July, 2019		
38.	The University of Barotseland	Mongu Campus	HEA/040	December, 2016	FT and ODL	Western
39.	Trans-Africa Christian University	Kitwe Campus	HEA/046	December, 2016	FT and ODL	Copperbelt
40.	Trinity University	Lusaka Campus	HEA/018	March, 2016	FT	Lusaka

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
41.	Twin Palm Leadership University	Main Campus	HEA/044	December, 2016	FT and ODL	Lusaka
42.	UNICAF (Zambia Limited) University	Lusaka Campus	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 Campus	HEA/028	June, 2016	ODL	Lusaka
45.	University of Edenberg	Greenwood Park Campus	HEA/079	December, 2019	FT and ODL	Copperbelt
46.	University of Lusaka	Pioneer Campus	HEA/009	February, 2016	FT, Part Time and ODL	Lusaka
		Leopards Hill Campus	HEA/074	July 2019		
47.	University of the Foundation for Cross-cultural Education	Luanshya Campus	HEA/004	February, 2016	FT and ODL	Copperbelt
48.	Victoria Falls University of Technology	Livingstone Campus	HEA/029	June, 2016	FT and ODL	Southern

	Name of HEI	Campus(es)	Reg. No.	Reg. Date	Delivery Mode	Province
49.	Zambia Catholic University	Kalulushi Campus	HEA/019	March, 2016	FT and ODL	Copperbelt
50.	Zambian Christian University	Choma Campus	HEA/054	March, 2017	FT and ODL	Southern
51.	Zambian Open University	Main Campus	HEA/010	February, 2016	FT and ODL	Lusaka
52.	Zambian Royal Medical University	No Registered Campus	HEA/055	June, 2016	FT	Lusaka
53.	ZCAS University	Dedan Kimathi Road Campus	HEA/039	December, 2016	FT and ODL	Lusaka

List of Recognised Public Higher Education Institutions

	Name of HEI	Establishment Date	Delivery Mode	Province
1.	University of Zambia (UNZA)	1965	FT, Part Time and ODL	Lusaka
2.	Copperbelt University (CBU)	1987	FT, Part Time and ODL	Copperbelt
3.	Mulungushi University (MU)	2008	FT, Part Time and ODL	Central
4.	Kwame Nkrumah University	1967	FT	Central
5.	Mukuba University	1974	FT	Copperbelt
6.	Chalimbana University	1939	FT	Lusaka
7.	Robert Kapasa Makasa	2017	FT	Muchinga

**FINANCIAL
REPORTS
2019**



**THE AUDITED ACCOUNTS HAVE BEEN PUBLISHED AS THEY APPEAR IN THE
AUDIT REPORTS SUBMITTED BY THE OFFICE OF THE AUDITOR GENERAL**

HIGHER EDUCATION AUTHORITY

FINANCIAL STATEMENTS

For the year ended 31st December 2019

THE AUDITOR GENERAL

P.O Box 50071

Lusaka - Zambia

HIGHER EDUCATION AUTHORITY (HEA)

**STATEMENTS OF SOURCES AND UTILISATION OF FUNDS
FOR THE NINE MONTHS PERIOD ENDED 31ST DECEMBER,
2019**

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HIGHER EDUCATION AUTHORITY

GENERAL INFORMATION

31 December 2019

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



HIGHER EDUCATION AUTHORITY

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTOR

31 December 2019

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 2020 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 7 to 23 which have been prepared on the going concern basis, were approved by the Board on..... and were signed on its behalf by:

DIRECTOR GENERAL

BOARD CHAIRPERSON



HIGHER EDUCATION AUTHORITY

DIRECTORS' REPORT

31 December 2019

Directors have pleasure in submitting their financial report for the year ended 31 December 2019

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:-

	2019 ZMW	2018 ZMW
Income	3 394 903	4 556 075
Grants received	11 040 282	19 155 186
Total comprehensive (deficit) / surplus	(7 284 859)	9 272 208

3. Equipment

During the year the Authority acquired equipment worth ZMW236 121 (2018:ZMW3 717 549). The Authority disposed off a Motor vehicle with a cost of ZMW856 451. (2018: ZMW343 039).

4. Employees

The average number of employees during the year was 23 (2018: 23) and their total remuneration was ZMW1 059 549(2018: ZMW ZMW6 533 978).

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 (2018:Nil).

7. Directors

There was no sitting Board in 2019.

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.



HIGHER EDUCATION AUTHORITY

DIRECTORS' REPORT

31 December 2019

9. Annual Financial Statements

The Annual Financial Statements are set out on pages 7 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
Lusakaa

By order of the Board:

A handwritten signature in black ink, appearing to read 'Shim Kang', written over a horizontal line.

DIRECTOR GENERAL

Date: 30 - 6- 2021

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 2019, 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 2019 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. Revenue recognition of fees/or services rendered

The key audit matter	How the matter was addressed in the audit
<p>The Authority recognises fees on receipt basis from the services rendered, instead of the accruals basis. The Authority does 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 are 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.

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

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.

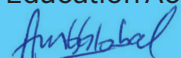
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of the Higher Education Authority as of 31 December 2018 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.0000569

DATE.....**05-07-2021**.....



HIGHER EDUCATION AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Note	2019 ZMW	2018 ZMW
Income	2	3 394 903	4 556 075
Grants received	3	11 040 282	19 155 186
Total income		14 435 185	23 711 261
Expenditure		(21 720 044)	(14 456 059)
Operating (deficit)/surplus		(7 284 859)	9 255 202
Net financing income	4	-	17 006
Total comprehensive (deficit)/surplus		(7 284 859)	9 272 208



HIGHER EDUCATION AUTHORITY

STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	Note	2018 ZMW	2017 ZMW
ASSETS			
Non current assets			
equipment	9	2 668 885	4171 555
Current assets			
Accounts receivables	10	209 804	163 543
Cash and cash equivalents	11	3 426 114	8 665 113
		3 635 918	8 828 656
Total assets		<u>6 304 803</u>	<u>13 000 211</u>
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds			
Opening balance		11 840 078	2 567 870
(deficit)/Surplus for the year		(7 284 859)	9 272 208
Total accumulated funds	12	<u>4 555 219</u>	<u>11 840 078</u>
Current liabilities			
Accounts payables	13	1 749 584	1 160 133
Total accumulated funds and liabilities		<u>6 304 803</u>	<u>13 000 211</u>

The financial statements on pages 7 to 23 were approved by the Board on.....and were signed on their behalf by: -

DIRECTOR GENERAL

BOARD CHAIRPERSON



HIGHER EDUCATION AUTHORITY

STATEMENT OF CASH FLOW

for the year ended 31 December 2019

	Note	2019 ZMW	2018 ZMW
NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flows			
Operating surplus		(7 284 859)	9 255 202
Adjustments for items not affecting cash flows:			
Depreciation on equipment	9	1 042 941	893 441
Loss on disposal of equipment		513 280	60
Net operating cash flows before reinvestment in working capital		(5 728 638)	10 148 704
Decrease/(increase) in accounts receivables		(46 261)	241 000
Increase in accounts payables		589 451	141 794
Net cash flows from operations		(5 185 448)	10 531 498
Returns from investments and servicing of finance			
Interest received	4	-	17 006
NET CASH FLOWS FROM OPERATING ACTIVITIES		(5 185 448)	10 548 504
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	9	(236 121)	(3 717 549)
proceeds from disposal of equipment		182 570	308 735
		(53 551)	(3 408 814)
Increase in cash and cash equivalents		(5 238 999)	7 139 690
Cash and cash equivalents at the beginning of the year		8 665 113	1 525 423
Cash and cash equivalents at the end of the year	11	3 426 114	8 665 113

HIGHER EDUCATION AUTHORITY

ACCOUNTING POLICIES

31 December 2019

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.

HIGHER EDUCATION AUTHORITY

ACCOUNTING POLICIES

31 December 2019

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%

HIGHER EDUCATION AUTHORITY

ACCOUNTING POLICIES

31 December 2019

IMPAIRMENT

The carrying amount of the Authority's assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such condition exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Reversal of impairment

An impairment loss in respect of a held-to maturity security or receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of other assets is reversed if there has been change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Cash and Cash Equivalents

Cash and equivalents are defined as cash on hand, and bank balances and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

FINANCIAL INSTRUMENTS

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVOCI).

The classification is determined by both:

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

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

HIGHER EDUCATION AUTHORITY

ACCOUNTING POLICIES

31 December 2019

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Authority's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

This category also contains equity investments. The equity investments were measured at cost less any impairment charges under IAS 39, as it was deemed that its fair value could not be estimated reliably. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Authority accounts for financial assets at FVOCI if the assets meet the following conditions:

- They are held under a business model whose objective is hold to collect the associated cash flows and sell; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset. This category includes listed securities and debentures that were previously classified as 'available-for sale'.

Impairment of financial assets

IFRS 9's new impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss' (ECL) model. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Authority first identifying a credit loss event. Instead the Authority considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

HIGHER EDUCATION AUTHORITY

ACCOUNTING POLICIES

31 December 2019

'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.

HIGHER EDUCATION AUTHORITY

ACCOUNTING POLICIES

31 December 2019

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. and

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.

HIGHER EDUCATION AUTHORITY**ACCOUNTING POLICIES**

31 December 2019

NEW RELEVANT STANDARDS NOT YET EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019 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.

HIGHER EDUCATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

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.

2. INCOME

2.1 Analysis

	2019 ZMW	2018 ZMW
Accreditation fees	2 073 500	3 687 014
Registration fees	355 000	429 000
Application fees	14 500	20 000
Annual student levy	34 448	117 454
Workshops and seminars	393 000	-
Registration of qualifications	130 000	-
Other income	394 455	302 607
	<u>3 394 903</u>	<u>4 556 075</u>

3. GRANT RECEIVED

Government of the Republic of Zambia (Ministry of Finance)	10 932 033	17 070 060
Government of the Republic of Zambia (MOHE)	108 249	2 085 126
	<u>11 040 282</u>	<u>19 155 186</u>

4. NET FINANCING INCOME

Interest received	<u>-</u>	<u>17 006</u>
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5. BOARD AND COMMITTEES

5.1 Analysis

Board and committees	63 370	10 725
Board and committees: Recruitment costs	57 500	651 516
	<u>120 870</u>	<u>662 241</u>

5.2 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.

HIGHER EDUCATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

	2019 ZMW	2018 ZMW
6. CONFERENCE AND LODGING		
Local conference and workshops	618 076	47 114
Local, Regional and International workshops	433 570	193 304
	<u>1 051 646</u>	<u>240 418</u>
7. OFFICE EXPENSES		
Offices supplies	99 671	42 000
	<u>99 671</u>	<u>42 000</u>
8. PERSONAL EMOLUMENTS		
8.1 Analysis		
Salaries	8 487 157	4 862 502
Responsibility allowances	1 12 873	276 629
Various allowances	111 920	253 286
Leave	663 406	385 727
Gratuity	924 923	664 047
NAPSA - Employee contribution	214 628	84 369
National Health Insurance (NHI)	1 3 642	-
Overtime		7 418
	<u>10 599 549</u>	<u>6 533 978</u>

8. 2 The average number of employees during the year was 23 (2018:23).

HIGHER EDUCATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

9. EQUIPMENT

	Furniture and fittings ZMW	Motor vehicles ZMW	Computers and peripherals ZMW	Office equipment and accessories ZMW	Total ZMW
9.1 Cost/Evaluation					
At 31 December 2018	521 109	4 457 877	481 904	233 100	5 693 990
Additions	13 480	-	155 788	66 853	236 121
Disposals	-	(856 431)	-	-	(856 431)
At 31 December 2019	534 589	3 601 446	637 692	299 953	5 073 680
9.2 Depreciation					
At 31 December 2018	165 267	1 179 863	154 025	23 280	1 522 435
Charge for the year	72 067	819 504	97 706	53 664	1 042 941
Disposals	-	(160 581)	-	-	(160 581)
At 31 December 2019	237 334	1 838 786	251 731	76 944	2 404 795
9.3 Net book amount					
At 31 December 2019	297 255	1 762 660	385 961	223 009	2 668 885
At 31 December 2018	355 842	3 278 014	327 879	209 820	4 171 555

10. ACCOUNTS RECEIVABLES

10.1 Grants receivable

Staff receivables
Prepayments

	2019 ZMW	2018 ZMW
Staff receivables	209 804	120 883
Prepayments	-	42 660
	209 804	163 543

11. CASH AND CASH EQUIVALENTS

Cash at bank

	3 426 114	8 665 113
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HIGHER EDUCATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

12. ACCUMULATED FUNDS

Opening balance
(Deficit) /Surplus for the year

Closing balance

2019 ZMW	2018 ZMW
11 840 078	2 567 870
(7 284 859)	9 272 208
4 555 219	11 840 078

13. ACCOUNTS PAYABLES

Trade payables and accruals
Gratuity provision
Leave days provision
PAYE
NAPSA
NHI

153 689	131 439
869 027	501 239
419 724	200 461
243 117	298 613
36 743	28 381
27 284	-
1 749 584	1 160 133

14. 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.

15. RELATED PARTY TRANSACTIONS

15.1 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.

15.2 Analysis

During the year, the following transactions occurred:

	2019 ZMW	2018 ZMW
Grants from GRZ		
Direct grants	11 040 282	19 155 186
Directors remuneration		
Board fees and allowances	63 370	10 725

16. 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.

HIGHER EDUCATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

17. 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 2018, 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 noncurrent 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 counter party 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 counter parties for credit worthiness where credit risk arises and there are no credit ratings readily available. The counter parties 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.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2019 ZMW	2018 ZMW
Accounts receivables	209 804	163 543
Cash and cash equivalents	3 426 114	8 665 113
	<u>3 635 918</u>	<u>8 828 656</u>

HIGHER EDUCATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

(ii) Interest rate risk

This is the risk arising from the adverse movement in the value of future interest receipts or commitments resulting from movements in interest rates.

The interest rates for both interest receivable and payable from/to local financial institutions are generally pegged against the Bank of Zambia bank rate. The Authority finances its operations through Government grants and from its own operations.

The Authority is exposed to interest rate risk to the extent of the balances of the bank accounts. The Authority manages its assets and liabilities within its sensitivity to the interest rate changes.

(iii) Market risk

The principal amounts of all financial assets and financial liabilities are fixed and not subject to market related value adjustment.

(iv) Liquidity and cash flow risk

Liquidity risk arises in the general funding of the Authority's operations and in the management of positions. It includes both the risk of being unable to fund financial liabilities when they mature and the risk of being unable to liquidate financial assets at close to their fair value. The Authority manages liquidity risk by monitoring adequacy of reserves, monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. A maturity analyses of the Authority's instruments as at 31 December 2018 is as follows

	demand ZMW	3 months ZMW	On Due within 3 - 12 months ZMW	Due between 12 months ZMW	Due more than 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
Liquidity gap	<u>3 426 114</u>	<u>(307 144)</u>	<u>(363 609)</u>	<u>(869 027)</u>	<u>1 886 334</u>

HIGHER EDUCATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

	demand ZMW	On 3 months ZMW	Due within 3 - 12 months ZMW	Due between 12 months ZMW	Due more than Total ZMW
Financial assets as at 31 December 2018					
Accounts receivables	-	-	163 543	-	163 543
Cash and cash equivalents	8 665 113	-	-	-	8 665 113
	<u>8 665 113</u>	<u>-</u>	<u>163 543</u>	<u>-</u>	<u>8 828 656</u>
Financial liabilities as 31 December 2018					
Account payables	-	326 994	331 900	501 239	1 160 133
Liquidity gap	<u>8 665 113</u>	<u>(326 994)</u>	<u>(168 357)</u>	<u>(501 239)</u>	<u>7 668 523</u>

(v) **Currency risk**

This is the risk that the Authority is exposed to unfavorable 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.

18. COMMITMENTS

There were no capital commitments as at 31 December 2019. (2018:Nil).

19. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2019.(2018:Nil)

20. COMPARATIVE FIGURES

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

21. 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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

		2019 ZMW	2018 ZMW
Income	Note		
Accreditation fees		2 073 500	3 687 014
Registration fees		355 000	429 000
Application fees		14 500	20 000
Annual student levy		34 448	117 454
Workshops and seminars		393 000	-
Registration of qualifications		130 000	-
Other income		394 455	302 607
	2	3 394 903	4 556 075
Grant received Government of the Republic of Zambia	3	11 040 282	19 155 186
Total income		14 435 185	23 711 261
Expenditure			
Advertising promotion and souvenirs		110 173	-
Annual reports		41 411	12 760
Audit fees		71 000	53 000
Bank charges		7 939	6 296
Board and committees	5	120 870	662 241
Budget preparations		86 250	48 750
Building repairs and maintenance		20 040	359 684
Cleaning		15 687	14 311
Conference and lodging 6		1 051 646	240 418
Continuous Development programme		25 217	53 100
Depreciation charge	9	1 042 941	893 442
Dissemination of information		39 953	692 456
Fuel and lubricants		112 660	7 445
Higher Education Institution fees		2 115 071	1 295 069
Inspection procedures		40 000	-
Institution membership		12 971	-
Insurance and road taxes		130 069	158 065
Internet services		239 595	133 126
Legal fees		147 320	-
Loss on disposal of equipment		513 280	60
Maintenance of office equipment		17 950	-
Management information systems		-	42 030
Motor vehicle repairs and maintenance		42 248	26 085
National and international policies		98 130	244 832
Office equipment		1 000	240 708
Office expenses	7	99 671	42 000
Personal emoluments	8	10 599 549	6 533 978
Post office tax rentals		6 500	-
Printing and stationery		179 565	156 645
Procurement committee meeting		81 354	49 235
Public functions and commemorations		429 667	461 140
Records search fees		3 600	-
Rentals and rates		1 081 578	803 064
Research report		74 740	-
Review of legal framework		65 843	476 208
Software expenses		21 359	102 900
Staff orientation		146 656	-
Staff pension scheme		332 979	-
Strategic planning		215 989	369 692
Subscription to professional bodies		23 536	32 992
Sundry expenses		36 480	122 003
Surveillances of HEIS		3 940	-
Telephone and postage		15 293	13 306
UNESCO Authority expenses		296 809	65 838
Website management		77 043	43 180
Zambezi National Education Conference		1 824 472	-
Total expenditure		21 720 044	14 456 059
Operating (deficit)/surplus		(7 284 859)	9 255 202
Net financing income	4		17 006
Surplus for the year		(7 284 859)	9 272 208



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