



ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT



ANNUAL REPORT

2020



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ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

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Lake Manyame (West Bank)

Off Robert Mugabe Highway

Darwendale

2 June 2022

Honourable Minister

Ministry of Public Service, Labour and Social Welfare

Kaguvi Building

Simon Muzenda/Central Ave

Harare

Dear Hon. Minister

RE: ZIPAM ANNUAL REPORT AND AUDITED FINANCIALS FOR THE YEAR

In accordance with section 49(1) (d) of the Public Finance Management Act (Chapter) 22:19, I have pleasure in submitting to you the ZIPAM Annual Report and Financial Statements for the year ended 31st December 2020.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'N. Matimba', is written over a light blue circular stamp.

N.M. Matimba

BOARD CHAIRMAN

INTRODUCTION

ZIPAM is an Apex training institute of public administration and management in Zimbabwe and a parastatal under the Ministry of Public Service, Labour and Social Welfare. The Complex is located on the western shores of Lake Manyame in Darwendale National Park, some 75km west of Harare, off Robert Mugabe Highway. Its core mandate is to assist public sector organisations, Non-Governmental Organisations and the Private sector organisations meet their management skills needs through training, consultancy and research services in terms of the ZIPAM ACT (Chapter 25:17, Sec 15). ZIPAM Hotel offers accommodation, meals and conferencing facilities to the training participants and non-training groups.

VISION MISSION AND VALUE

VISION

A premier Institute for the transformation and empowerment of the public and private sector management by 2030

MISSION

To enhance professionalism in public and private sector leadership, management and administration through human capital development of middle and senior managers for effective service delivery.

OUR VALUES

Professionalism

We are competent, considerate and respectful in all we do

Integrity

We are trustworthy, honest and reliable

Accountability

We have authority, responsibility and ownership of our actions in meeting our stakeholder expectations

Transparency

All our dealings are simple, lucid and intelligible

Teamwork

We have a shared purpose to achieve common goals

WHAT WE DO

TRAINING

ZIPAM offers a wide range of courses which are all demand driven. The wider mandate includes competency based training courses offered to the senior managers in the public service. This is comprised of Government ministries, Local Authorities and commissions. Generic short courses in management and other business-related areas are also offered to local government authorities, state enterprises, parastatals, non-governmental organisations and the private sector. The Institute is developing new courses targeted at closing gaps identified through training needs analyses and enhancing the public sector performance in meeting the new dispensation goals.

SHORT TERM TRAINING PROGRAMMES

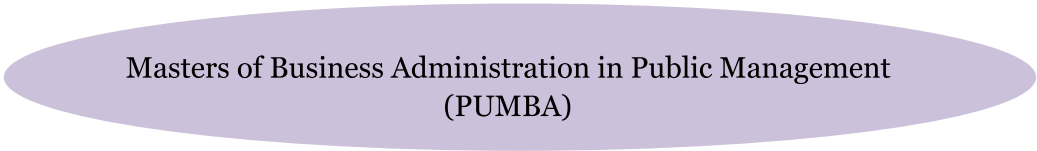
- Applied Research Techniques
- Conflict Management
- Corporate Governance for State Enterprises and Parastatals
- Crafting and Implementing Strategy
- Entrepreneurial Skills
- Executive Management Development Programmes
- Finance for Non-Finance Managers
- Fundamentals of Project Management
- Health and Wellness Management
- ICT Skills Training for Senior managers
- Integrated Results Based Management (IRBM)
- Leadership Skills for Women Managers
- Leadership Development Programme
- Management Development Programme 1 and 2
- Management of Local Authorities Business
- Managerial Skills Development
- Managing Agricultural Enterprises
- Managing Time for Personal Effectiveness
- Performance Management
- Pre-Retirement Planning
- Public Sector Procurement and Disposal of Public Assets
- Rapid Results Approach (RRA)
- Risk Management
- Strategic Thinking and Analysis
- Stress Management
- Train the Trainer
- Transformational Leadership
- Workers Committee Skills Development

LONG TERM TRAINING PROGRAMMES

DEGREE PROGRAMMES

ZIPAM also offers a Masters degree. The degree programme is run in affiliation with National University of Science and Technology (NUST).

POSTGRADUATE DEGREE (NUST)



Masters of Business Administration in Public Management
(PUMBA)

LEARNING ENVIRONMENT

The complex is endowed with natural beauty and tranquillity that is conducive for learning. At the heart of the complex lies ZIPAM Hotel. The hotel has 102 standard rooms with bed capacity of 165 guests and 6 executive rooms. There is an up-market kitchen and a dining hall that accommodates 200 people at a time. Clients are trained in the comfort of ZIPAM conferencing facilities surrounded by beautiful gardens sometimes used for morning and afternoon teas and breakaway sessions.

ZIPAM Hotel Executive Rooms



Conference Facility



The Auditorium

OUR SERVICE PROMISE

TRAINING

- ✚ We will respond to all written enquiries within 48 hours
 - ✚ Face to face and telephone enquiries will be handled in a courteous manner.
 - ✚ We conduct training needs assessments for our client
 - ✚ We involve our clients and stakeholders in developing and reviewing our curriculum to keep up to date with our clients' needs.
 - ✚ We provide world class training services across the board
- We offer value for money training
- We offer cutting edge

HOSPITALITY

- ✚ We keep our hotel rooms clean and fresh always.
- ✚ We check in our clients within 10 minutes of arrival
- ✚ We serve fresh and delicious food to our clients in the dining.
- ✚ We keep our conference facilities neat and comfortable



RIGHTS AND OBLIGATION

OUR OBLIGATIONS

- ✚ We strive to always treat you fairly and honestly.
- ✚ Our services to you aim to be : efficient : accurate : reliable.
- ✚ We aim to make our contact with you: timely : professional : courteous : fair
- ✚ Our staff aims to be: accessible : provide accurate information : accept and respond to your feedback.

YOUR RIGHTS

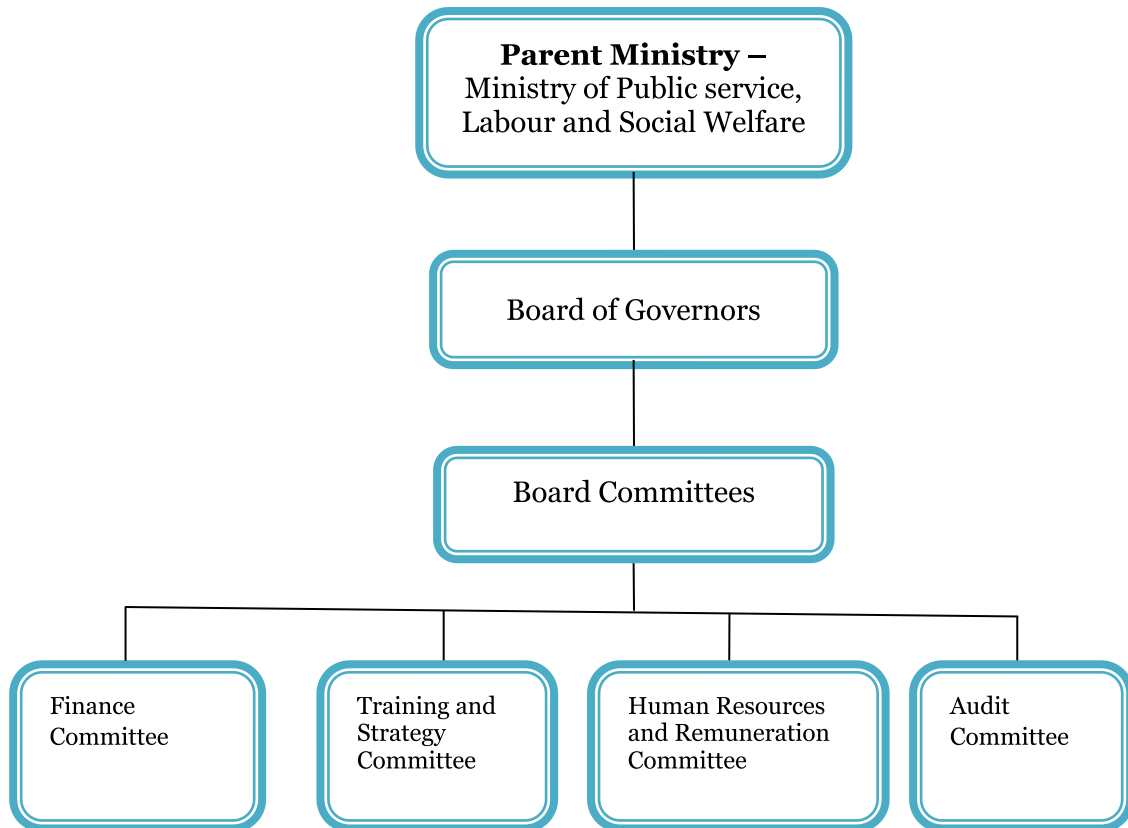
- ✚ You have the right to be served with respect, dignity and speed.
- ✚ You have the right to lodge a complaint.
- ✚ You have the right to confidentiality with regards to your information.

WE EXPECT OUR CLIENTS TO:

- ✚ Provide us with accurate information.
- ✚ Pay the required fees within the agreed time period.
- ✚ Respect the intellectual property rights of any materials acquired through the Institute.
- ✚ Abide by legal requirements of our services.
- ✚ Respect the privacy of other guests on site.

STRUCTURES

CORPORATE STRUCTURE



BOARD OF GOVERNORS



Mr. Noah. M. Matimba – Board Chairman

Mr Noah Matimba is a Business Management Consultant in the areas of strategy development and implementation spanning over 32 years. He has extensive experience in the mining and manufacturing sectors, as well as private, public and non-governmental organisations. He worked in different countries in Southern Africa. He holds amongst other qualifications a Bachelor of Accountancy(Hons) Degree from the University of Zimbabwe and a Masters in Business Leadership from the University of South Africa. Besides ZIPAM, he is currently Chairman and Director at Q Partnership Consultancy. He is also an Honorary Treasurer of the Zimbabwe Agriculture Society.



Commissioner Tendai. R. W. Bare – Vice-Chairperson

Comm. Tendai W Bare is currently the Chairperson of Zimbabwe Lands Commission. Prior to that she was a Public Service Commissioner. She has over twenty years' experience of working in senior executive management positions in Government and Regional and International Cooperation organizations. She worked as Permanent Secretary for the Ministry of Women Affairs, Community Development and Cooperatives, Secretary for the Public Service, Labour and Social Welfare, Head of Inter-cooperation Office of the President and Cabinet Office and Senior Permanent Secretary for National Affairs, Employment Creation, Community Development and Cooperatives. She also lectured in Town Planning at the Harare Polytechnic. She sat on various boards including the United National Convention on the Elimination of Discrimination against Women. She published on public administration and women. Com. Bare was the first woman Director for the Governance and Institutional Development Division for 6 years flag ship program at the Commonwealth Secretariat in London, providing technical assistance, advisory and consultancy services, training and policy development and implementation of programmes on the new public administration and management including publications of best practice particularly in developing countries. Com.T.Bare holds amongst other qualifications M.A. Regional Planning from Coventry University and B. A. Hon Social Science (Major Economics and Urban Planning) from Westminster University UK and she is a State Registered Nurse, Hammersmith Hospital, London.



Professor Charles. M. Nherera – Board Member

Professor Charles M. Nherera is a full-time Professor at the University of Zimbabwe, in the Faculty of Education, Department of Technical Education. He was the Founding Vice Chancellor of the Chinhoyi University of Technology and former Pro Vice Chancellor of the Women's University in Africa. Professor Nherera holds the following qualifications: Doctor of Philosophy (PhD) degree in Technology Education from the University of London Institute of Education in England; Master of Arts (MA) degree in Technology Education from the University of Linkoping in Sweden; Bachelor of Education Degree (B.Ed.) degree from the University of Exeter in England; a Secondary Teaching Diploma from Gweru Teachers College and a Higher Stage Certificate in Principles of Management from the London Chamber of Commerce and Industries. Among his other positions of responsibility, he is a Phd supervisor and External Examiner for UNISA.



Mr. Fati Mpofu – Board Member

Mr Fati Mpofu has vast experience in human resources management, human capital development and Industrial Relations management acquired through the various managerial positions, held in various organisations. He worked for various organisations in the following capacities: Hwange Colliery Company – Human Resources Manager, Hwange Colliery Company – Industrial Relations and Manpower Manager, Ingwebu Breweries – Human Resources Manager, African Associated Mines – Welfare Officer, Jairos Jiri Association – Welfare Officer. Mr Mpofu holds the following qualifications: Bachelor of Administration Degree from the University of South Africa; Diploma in Social Work (UZ); Post Graduate Diploma in Marketing Management from University of South Africa (UNISA) and a Teaching Certificate from United College of Education in Bulawayo.



Mrs. Fortunate Sekeso – Board Member

Mrs F. Sekeso is currently the Executive Director for the Institute of People Management Zimbabwe (IPMZ). She has a significant wealth of relevant managerial experience, having worked in the following capacities (the latest first): Small Enterprises Development Corporation (Sedco)- General Manager, Strategos Consulting - Managing Consultant, Time Bank- General Manager, CBZ Bank - Training Manager, Barclays Bank-Training Officer. Mrs F. Sekeso has a wealth of experience in banking and finance, strategic planning, general management, human resources development and management, marketing, quality customer service and corporate governance. Among her qualifications, she holds: MSc in Strategic Management; Diploma - Institute of Bankers (IOB); Chartered Institute of Secretaries and Administrators (CIS) and a Diploma in General Nursing



Mrs. Grace Maramba – Board Member

Mrs Grace Maramba is a Director in the Ministry of Primary and Secondary Education. She has a wealth of experience, acquired through various positions she held in the education sector. She started her career as a secondary school teacher and rose through the ranks of Head of Department, District Education Officer, Provincial Education Officer, University of Zimbabwe Part -time Lecturer, Deputy Provincial Education Director and Manager - Human Resources Training and Development Agency in Public Service Commission. She was then promoted to Director of Manpower Planning and Development in the Ministry of Public Service, Labour and Social Welfare from which she moved to her current position. Among other qualifications, Mrs Maramba holds the following, Masters of Education; Bachelor of Education degree and a Diploma in Training Management



Mrs. Arina Manyanya – Board Member

Mrs A Manyanya is a Deputy Director – Recurrent Expenditure in the Ministry of Finance and Economic planning. She joined the Ministry in 1998 as an Economist and rose through the ranks to her current position. Other positions held include Senior Economist, Principal Economist and Chief Economist. She held several other key positions in Government programmes like, Agriculture Taskforce, Operation Maguta, and National Economic Development Priority Programme, Fertiliser and Agro Chemicals Sub Committee and Food Security taskforce. She participated in loan negotiations with EXIM-Bank of Russia in May 2006, with ADB/BADEA (1995), and with the World Bank and other bilateral donors for the funding of the Family Health Project 1 & 2. She was the Gender Focal person for Ministry of Finance in 2007 and is also an IRBM trainer. Mrs Manyanya holds the following qualifications: Masters Degree in Economics from University of Zimbabwe (UZ); BSc Hons Degree in Economics from University of Zimbabwe (UZ).



Honourable Bianca Chanetsa – Board Member

Honourable Beatrice Chanetsa is a retired Ombudsman / Public Protector. She is currently working as a Human Rights Research and publisher with particular reference to the right to life. Honourable B. Chanetsa holds a Bachelor's degree in Law (L.L.B) from Makerere University, Kampala, Uganda. She has vast experience in legal services.



Dr Edgar. S. Makande – Acting Director General

Dr. Edgar S. Makande joined the Institute as Deputy Director General and is currently the Acting Director General . Before joining the Institute, he worked as an independent business consultant for several years gaining experience in management and leadership.

Dr.Makande has wide experience in business education. He was a full-time lecturer in the Graduate School of Business of the National University of Science and Technology where he taught Human Resources Management, Operations and strategic management to Executive MBA students. He has been a visiting part time lecturer to several other business schools in the region.

He has also worked with several other organizations including Fidelity Printers and Refiners (Reserve Bank subsidiary) as a mobilisation executive. He has also worked as a senior consultant (Training and Development) with Best Practices (Pvt) (Ltd).

He gained his operational, management, leadership experience over a period of 18 years in a state corporation where he rose from a chemist to General Manager and Chief Executive Officer. He is travelled and has published several business and technical papers. He holds a BSc degree in Physics and chemistry, a masters and doctoral degrees in business administration.

BOARD COMPOSITION

There were no changes on the Board membership during the year 2020. The Board has eight non-executive members and one executive member, the Director General, in line with the ZIPAM Act. The Board composition has a fair gender balance (5 women and 3 men) as well as a fair regional representation.

BOARD SUB - COMMITTEES

Strategy and Business Development Committee

Commissioner T.R.W Bare	- Chairperson
Professor C. Nherera	- Member
Mrs. G. Maramba	- Member
Mrs. F. Sekeso	- Member

Finance and Audit Committee

Mrs. F. Sekeso	- Chairperson
Mrs. A. Manyanya	- Member
Prof. C. Nherera	- Member

Human Resources and Remuneration Committee

Mr F. Mpofu	- Chairperson
Mrs. G. Maramba	- Member
Mrs. A. Manyanya	- Member
Hon. B. Chanetsa	- Member

MANAGEMENT STRUCTURE



Dr E.S Makande
Acting Director General



Mrs. T Mazvabo
Finance and Administration Manager



Mr. B Musindo
Senior Consultant



Mr. A Marisa
Senior Consultant



Mr. C Patel
Centre Manager

CORPORATE INFORMATION

REGISTERED OFFICE: **ZIPAM COMPLEX**
Lake Manyame (West Bank)
Off Robert Mugabe Highway
Darwendale

POSTAL ADDRESS: **P.O. Box 126, Norton**

CONTACT DETAILS: **Tel:0 24215- 2174/ 2055/3580**
Email: zipamhot@mweb.co.zw

AUDITORS: **Comptroller and Auditor General**

5th Floor Burroughs House
48 George Silundika Avenue
Harare

PRINCIPAL BANKERS: **ZB Bank, Murombedzi.**
CBZ Bank, Norton

First Capital Bank, 121 Mutare Road,
Harare.

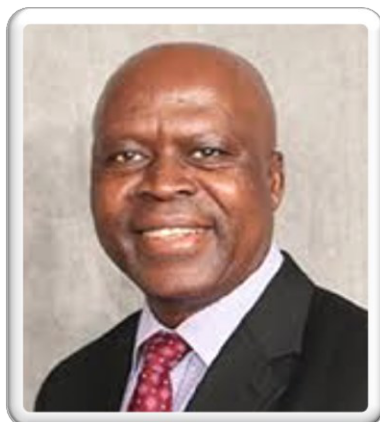
ATTORNEYS: **Kantor and Immerman**
MacDonald House
10 Selous Avenue
Harare

Financial Statements

Currency of Accounts: **ZWL**
Period of Accounts: **Year ended 31 December 2020**

CHAIRMAN'S STATEMENT

For the year ended 31 December 2020



2020 Financial Highlights

Restated figures (ZWL)

Revenue	\$139m	193%	↑
Expenditure	\$58m	80%	↑
Training revenue	\$8m	75%	↑
Hospitality revenue	\$104m	163%	↑
Other Income	\$28m	567%	↑
Profit Before Tax	\$41m	174%	↑

INTRODUCTION

Honourable Minister of Public Service, Labour and Social welfare, Board of Governors, management and stakeholders, it is my pleasure to present to you ZIPAM Annual report and the audited financial results for the year ended 31st December 2020.

The Institute conducted normal training programmes during the first quarter recording a net surplus of ZWL4.9 million. The training mandate was however disrupted by the global Covid-19 pandemic .

The Institute was designated as a quarantine centre on the 5th of April 2020 as part of the national strategy to curb the spread of the Corona virus. Thus, the main focus during the year, was to ensure safety of returnees and employees by ensuring strict adherence to Covid-19 regulations and the lock down measures put in place by government to curb the spread of the virus. The designation of the Institute as a quarantine centre had a positive impact on the financial performance of the Institute, recording a net surplus of ZWL41million (restated) for the 12months ended 31 December 2020.

OPERATING ENVIRONMENT

The COVID -19 global pandemic shaped the broader business environment in 2020. The government estimates that the economy contracted by 4.1% in 2020, adding to the contraction of 6.5% in 2019. The evolution of the currency and monetary policy remained a major theme during the year ended 31 December 2020. COVID-19 induced lockdowns weighed down aggregate demand, partly mitigating consumer inflation and exchange rate pressures for the greater part of 2020. Relative monetary policy stability was registered, particularly in the second half of the year following the introduction of the foreign currency auction system.

OPERATIONS OVERVIEW

The training mandate was affected by the national lockdowns instituted by government to curb the spread of the Corona virus thus no meaningful training programs were conducted during the year. Overall training volumes for short courses decreased by 76% from the 2019 volumes. Student volumes in degree programmes also recorded a 37% decrease from 2019. On a positive note, the hotel occupancy rate averaged 51% for the year, recording a 19% increase from the 43% recorded in 2019. The Institute registered a 193% growth in revenues, from ZWL47million in 2019 to ZWL139million in 2020. The increase in revenue was largely a result of the quarantine services provided by the Institute during year. The Institute implemented a pricing regime that ensured consistency with inflation trends. This enabled the Institute to maintain high quality of service and financial viability. The environment continued to be inflationary and some client packages had to be customised to maintain affordability in harmony with depressed demand.

Operating expenditure increased by 80% up from 32million to 58 million (restated). Cost containment measures focused on astute procurement and efficient resource utilization measures were put in place and are continuously reviewed to ensure that quality is not compromised.

The Institute recorded an overall operating surplus of ZWL41million for the year thus recording a 174% increase up from an operating surplus of ZWL15million in 2019. Performance has consistently improved over the past 5 years as shown on figure 1.

FINANCIAL PERFORMANCE

The Institute's financial results have been prepared on an inflation adjusted accounting basis in line with the requirements of IAS 29 "Financial Reporting in Hyperinflation Economies" as the conditions for hyperinflation accounting reporting persisted into 2020. The Institute achieved a net surplus for the year, using both the inflation adjusted and historical cost accounting basis. On an inflation adjusted basis, the Institute had a net surplus of ZWL41million for the year ended 31 December 2020 compared to a surplus of ZWL15 million for the same period last year. On a historical cost basis, the net surplus was up by 1309% from ZWL3 million to ZWL47 million driven by revenue from quarantine services. A detailed break-down of the financial performance on both inflation-adjusted and historical cost basis is contained in the Acting Director General's report.

Performance Trend from 2016 -2020

Historical figures

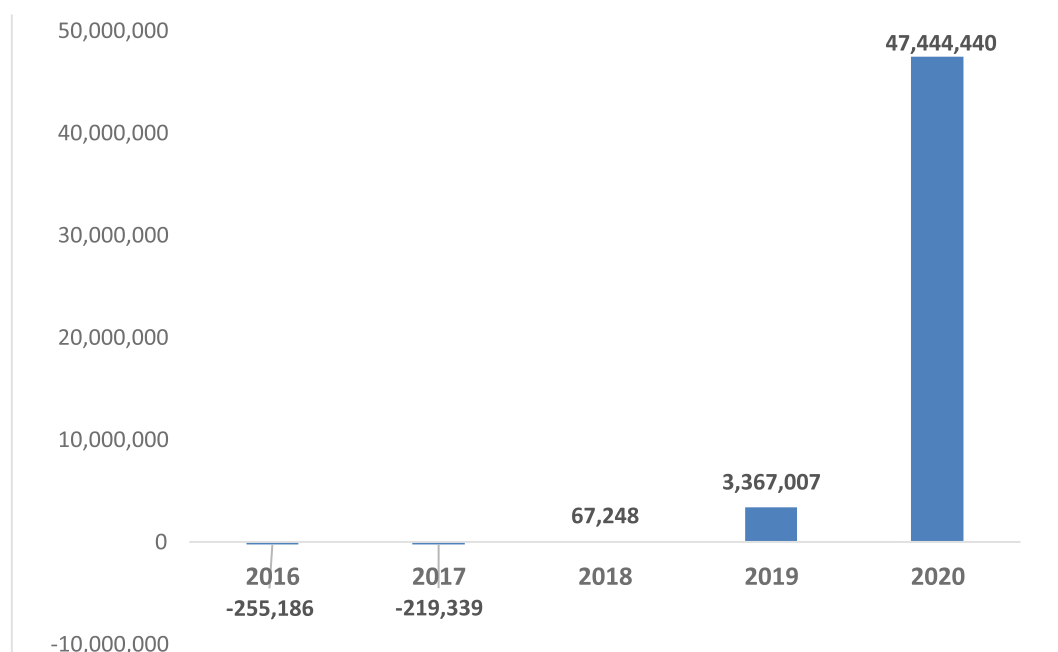


Fig 1: Surplus /(Deficit) per year - Historical

HUMAN RESOURCES

The Institute continues to review its organogram and policies to ensure stability within its human resources and as a consequence, improve service offering and productivity. COVID-19 awareness campaigns were continuously given to ZIPAM staff and the community at large, to minimise the impact of the pandemic with the focus being to ensure the safety of employees and stakeholders. The safety measures put in place yielded positive results as the Institute did not record any COVID-19 case throughout the year.

CAPITALISATION

Re-Capitalisation of ZIPAM remains a challenge and will be the major area of focus going forward. The facility was built in 1984. Due to lack of resources, the Institution did not get adequate maintenance over a long period of time, resulting in extreme levels of decay in some areas. Engagements with various stakeholders shall continue as we seek development partners or donors in further refurbishing and expanding the hotel infrastructure. During 2020, the Institute undertook the following major capital expenditure projects:

Description	Inflation Adjusted	Historical
ICT Equipment	1 522 791	854 414
Furniture, Fittings & Equipment	296 048	242 254
Total	1 818 839	1 096 668

MARKETING

The Institute launched a website and it is making use of various social network platforms to advertise its products, improve on visibility and market positioning for the ZIPAM brand.

OUTLOOK FOR 2021

The economic pressures and the negative effects of the COVID-19 pandemic are expected to continue in 2021. The foreign currency auction system is expected to continue to stabilise the exchange rates and improve availability of forex for capital projects.

The Institute will focus on positioning itself to take advantage of the opportunities for human capital development in the civil service in line with NDS1. The Institute will also continue to invest in the upgrading of the infrastructure and ICT systems.

The training policy announced through the 2016 Mid-Term Fiscal review encouraging public sector institutions to use ZIPAM and other public service Institutions, for their staff development programmes as coordinated by the Public Service Commission is expected to continue to yield positive results.

The revised investment policy and the re-engagement of the international community to do business with Zimbabwe as promulgated by the Government, is also expected to continue to boost activity in all the sectors of the economy including conferencing and training.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude and appreciation to our shareholder and valued stakeholders for their continued, unwavering support. I would also like to extend my gratitude to my fellow Board members for their commitment and dedication to the Institute's business, and to management and staff for their resilience and determination to succeed.

Thank you



N.M. Matimba
BOARD CHAIRMAN

DIRECTOR GENERAL'S REVIEW



Dr Edgar S. Makande

INTRODUCTION

The year 2020 commenced with satisfactory business prospects for both training, accommodation and conferencing performance areas. Training Operations were however grossly disrupted with the advent of the lock downs to curb the spread of Covid-19 in the first Quarter of 2020. Figure 1 below shows the training volume profile from 2016 to 2020. The decline in 2020 is directly linked to the commissioning of the Institute as a quarantine destination for residents returning to Zimbabwe in April 2020. The year under review however recorded an overall operating surplus of ZWL 41 Million (ZWL 15million in 2019) derived mainly from the quarantine business

The Institute implemented a pricing regime for its services and products that ensured viability of the Institute as well as ensuring that quality of service was not compromised during the year under review. However limited mandate business (training) was carried out in quarters one and two of 2020 only. New protocols and standard operating procedures were designed during the year under review to reduce the risk of both staff, returnees and clients to be effected and affected with the Covid-19 induced pandemic.

FINANCIAL PERFORMANCE

REVENUE

The Institute recorded a total revenue of ZWL139 340 978 a 193% increase from 2019 total revenue of ZWL47 486 102 . The increase is attributed to the increase in hospitality services offered to returnees quarantined at the Institute during three quarters of the year. The hospitality business contributed 74% (ZWL103 523 956) whilst training business contributed 6% (ZWL7 736 194) to total revenue for the year, compared to hospitality 83% (ZWL39 316 884) and training 8% (ZWL3 957 364) for 2019.

EXPENDITURE

Total expenditure for the year was ZWL58 435 424(restated) recording an 80% increase from ZWL32 382 379(restated) of 2019. Cost containment measures put in place continue to be reviewed in line with the business strategy. An operating surplus of ZWL41 380 802(restated) was recorded for the period, showing a 174% increase from an operating surplus of ZWL15 103 723 in 2019. Marketing efforts were intensified across all advertising platforms to widen the client base and increase the revenue streams within the Institute's mandate. Fig 1 below shows a revenue and expenditure three year trend from (2018 to 2020).

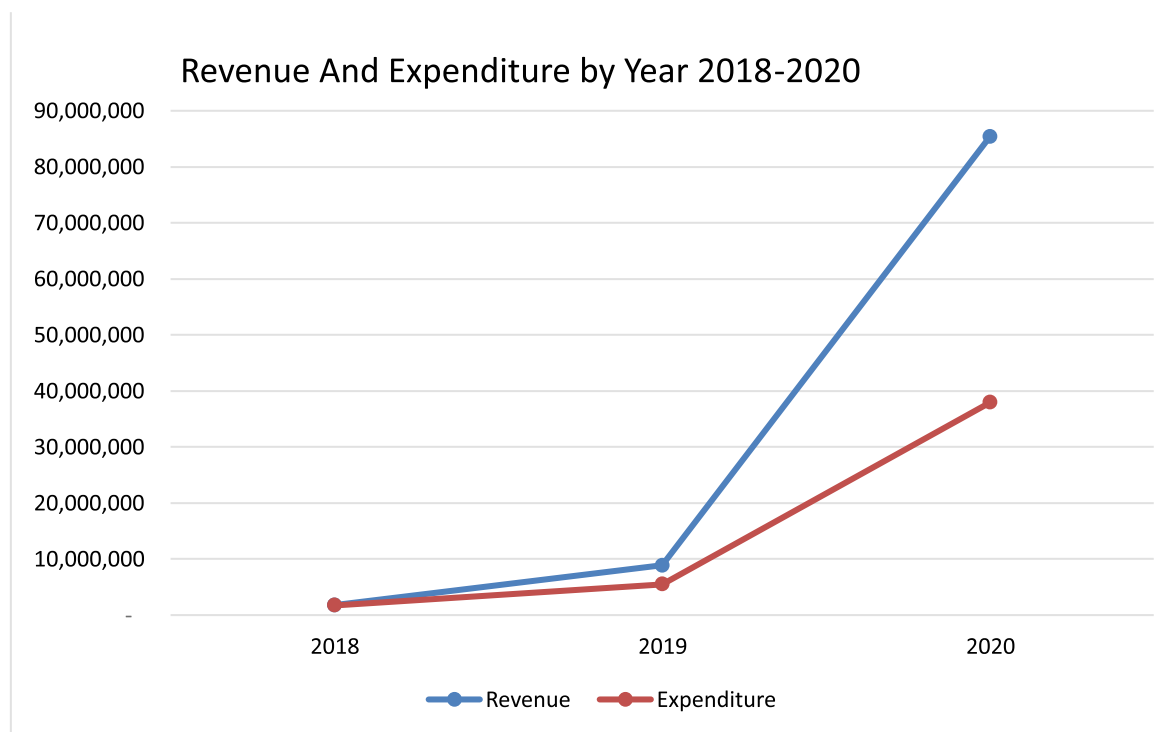


Fig 1

OPERATIONS

Training business was disrupted by the global COVID-19 pandemic which saw business operations being suspended in March 2020. The impact of the COVID-19 on ZIPAM's core mandate of training is shown in figure 2 below:

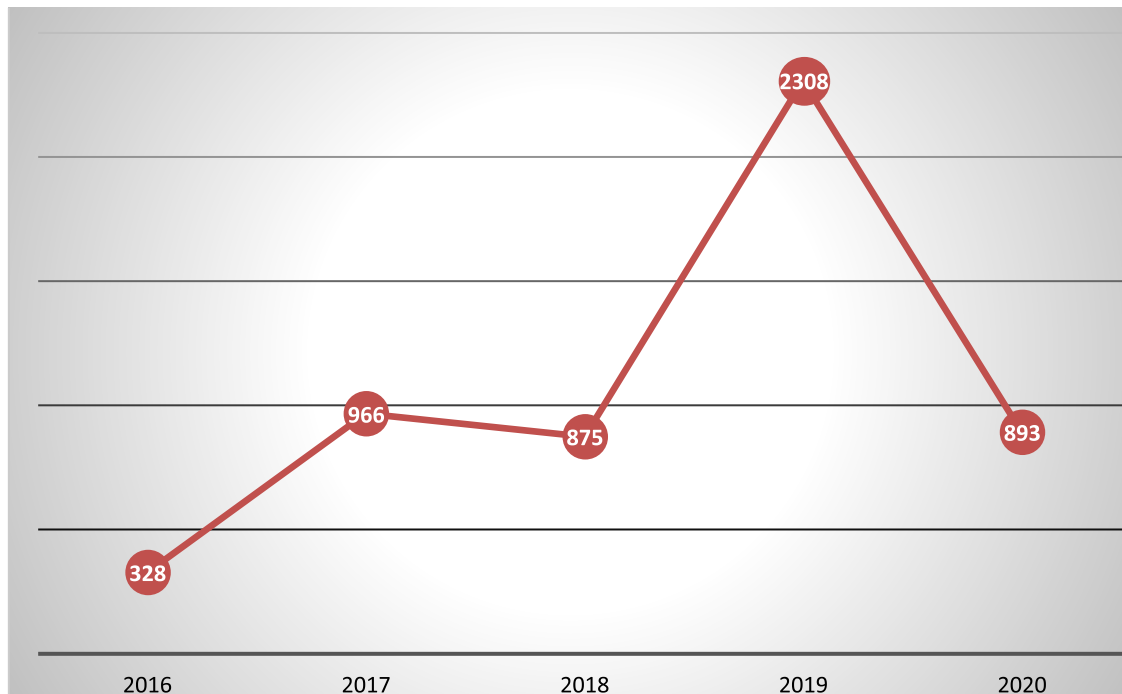


Fig 2: Annual profile of Volumes of trainees (numbers)

ZIPAM was designated as a national quarantine Centre in April 2020. 876 returnees were hosted at the Centre during the period (April to September) as shown on **Fig 3** below:

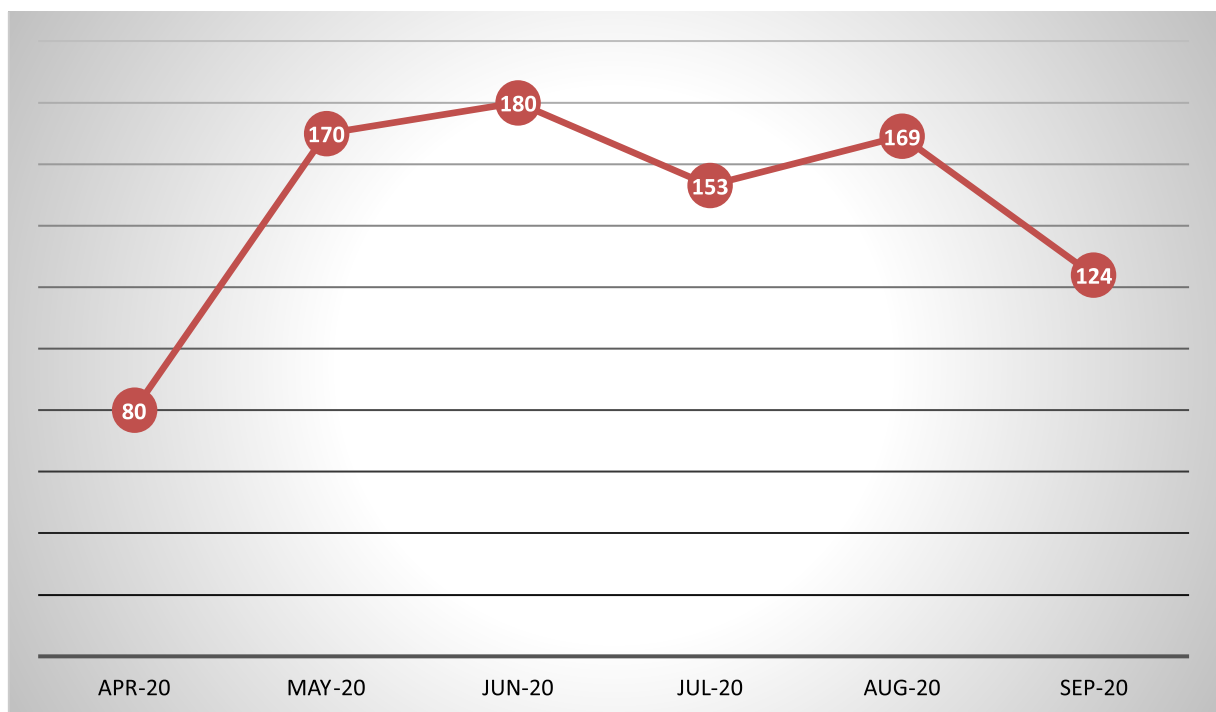


FIG 3: RETURNEES QUARANTINED AT ZIPAM (APRIL-SEPTEMBER)

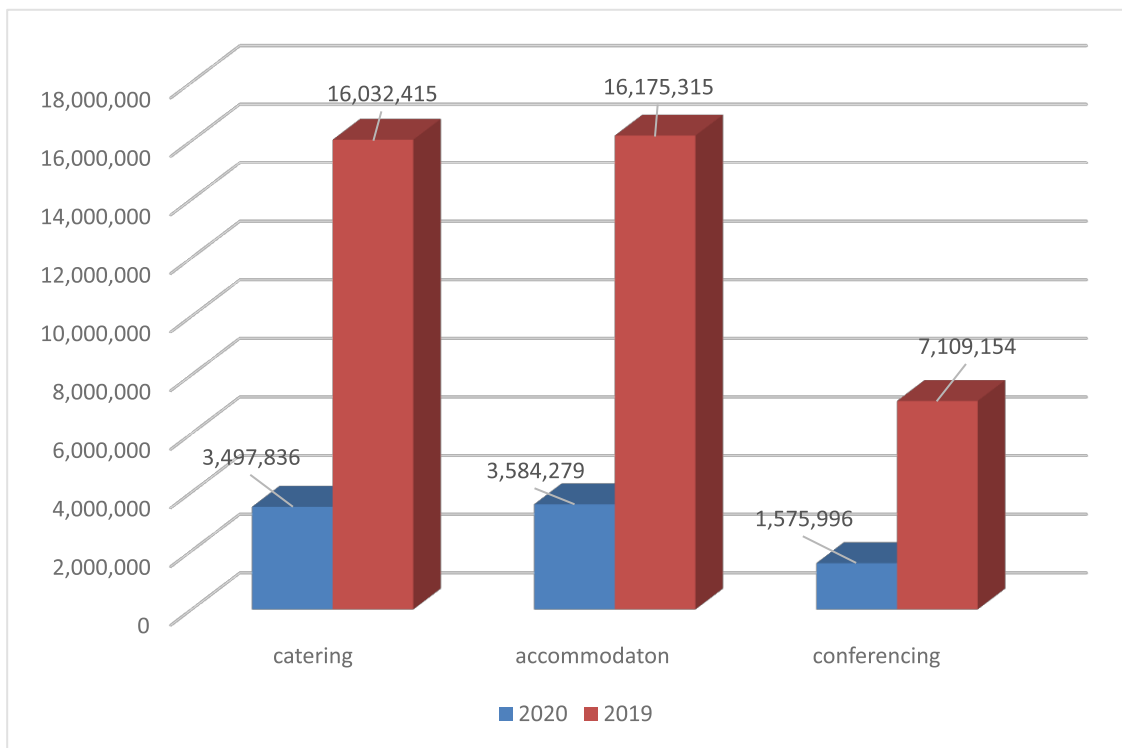


FIG 4:

HOSPITALITY REVENUE BY CATEGORY (ZWL) – Restated Figures

Hospitality showed marked improvement in both volumes and financials contributing a 74% of total revenue.

PRODUCT OFFERING

TRAINING

ZIPAM is the apex training and consultancy agency for the public sector and private sector. Training is offered in the form of short courses and Degree programmes. Short courses calendar is published at the beginning of the year for planning. Several new demand driven courses were developed in the current year to enhance the civil service managerial skills towards achieving the Vision 2030 goals, for example Corporate Governance, Pre-retirement planning, Performance management among others. Course curriculum is prepared in consultation with Public Service Commission and various interested parties for the specific courses.

DEGREE PROGRAMME

The Institute offers a Masters in Business Administration (Public Management) in affiliation with National University of Science and Technology (NUST). Enrolment for the master's programme was low in 2020 and the past four years. Major initiatives are planned for the future to boost the numbers

PUBLIC SERVICE PROFESSIONALISATION

Engagements were made during the year with several parties to explore programs on the professionalization and certification for Public Service Accountants, spearheaded by the

Accountant General, and certification of Procurement practitioners spearheaded by Procurement Regulatory Authority of Zimbabwe (PRAZ). The Institute is also considering options of upgrading to University status in the long term.

HEALTH AND WELLNESS PROGRAMME

The Institute has in place a state of the art, gymnasium equipment to take care of the employees and clients' health and wellness. The gym is manned by a qualified fitness trainer and is available every morning from 5am to 6am, afternoon from 1pm to 2pm and in the evening from 5pm to 7pm. A health and wellness training programme, was developed and clients can send teams to be trained in health and wellness. A health workforce is a productive work force.

FIVE STATION MACHINE



Bench Press



HUMAN RESOURCES

ZIPAM is on the recovery path and right sizings imandatory. Staffing levels are complimented by recruiting casuals when business volumes increase beyond the capacity of permanent staff The position of Finance and Administration Manager was filled during the year to strengthen the management team. A Procurement Unit was also established during the year in compliance with PRAZ regulations. The Institute recognises that investing in the human resource is key to achieving the mark of excellence. Staff development has therefore become a priority and the processes and systems are continuously reviewed to enhance operational efficiency and effectiveness.

Table 1: HUMAN RESOURCES STRENGTH AS AT 31 DECEMBER 2020

CATEGORY	STRENGTH 2020	ESTABLISHMENT 2019	MOVEMENT
Directorate	2	3	-1
Senior Management	2	3	-1
Management	7	7	0
Supervisory	3	3	0
General	42	42	0
Students	3	9	-6
TOTAL	59	67	-8

PROSPECTS

Training activity from the mandate business during the year under review was very low following the commissioning of the Institute in April 2020 as a national quarantine centre to curb the spread of Covid-19 virus. The forecast business, which largely emanates from the Public Service Commission and the NGO sector is not expected to materialise soon after decommissioning the Institute as a quarantine centre. This, coupled with the Covid-19 induced lockdowns, price wars and a restless staff, the Institute faces a serious threatening risk related to business continuity.

The need to establish a Public Service Academy (PSA) as a direct response to the need within the public sector to impart new sets of skills, competences and culture among the members of the public sector is well publicised. This initiative is expected to strengthen the business prospects of the Institute and improve on the mandate business. The PSA is expected to provide courses that are linked to the constitutional role of the Public Service Commission and be able to make a noticeable and significant contribution to improve performance in the public sector.

ACKNOWLEDGEMENT

I would like to express my gratitude to the Board of Governors for their continued leadership and guidance, to the management team and staff for their effort and dedication and to our valued clients for the business during the period under review.



Dr Edgar S. Makande
Acting Director General

CORPORATE GOVERNANCE REPORT

ZIPAM is committed to good corporate governance and it views it as an important aspect of business which enables it to deliver its mandate, to the satisfaction of all stakeholders. The Institute is guided by the National Code on Corporate Governance, Zimbabwe (2015), the King IV Reports on Corporate Governance and the Public Entities Corporate Governance Act Ch.10:31. It subscribes to the principles of transparency, professionalism, accountability, equity and integrity and ethical business conduct in all our dealings with stakeholders.

Through well documented policies, the Board executes its stewardship and leadership roles diligently and effectively and through detailed systems and procedures. In all this, the interests of the Institute are placed ahead of individual interests.

BOARD OF GOVERNORS

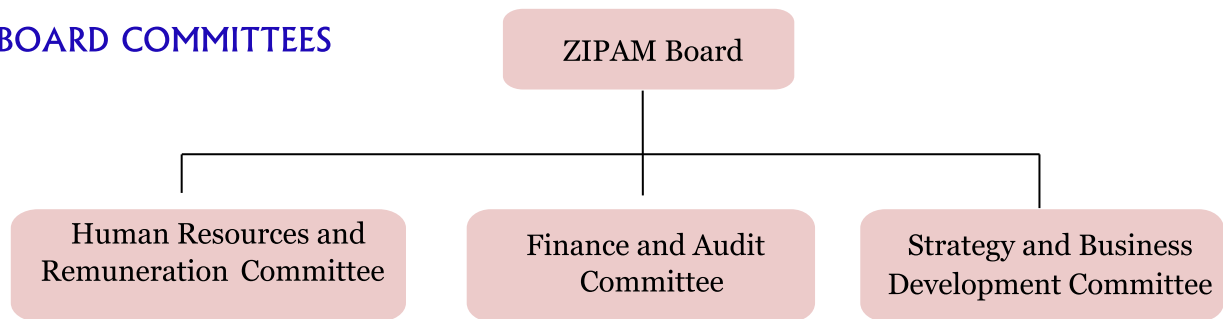
ZIPAM Board is constituted of eight non-executive members and the Director General, an executive member. The Chairperson is a non-executive member. Collectively, the Governors possess a wide range of skills, knowledge and experience, that brings independent judgment to board deliberations and decisions. There are three committees namely, Finance and Audit committee, Human Resources and Remuneration committee and Strategy and Business Development committee whose primary roles are to facilitate the Board to efficiently and effectively discharge its mandate. The primary role of Board is to protect and enhance long term shareholder value. It therefore acts independently, with care and due diligence in the best interest of the Institute and the Shareholder.

BOARD MEETINGS

The full Board meets quarterly and committees meet at least once in between the full board meetings. The Board meets to consider, monitor and review performance of the Institute. When necessary, special Board meetings are convened, to consider urgent issues requiring urgent decisions. A formal agenda prepared by the Board Secretary in consultation with the Chairman and the Director General, covering the strategic direction of the Institute, business operations, finance and human resources, guides the Board meetings. All Board members may suggest agenda items and liaise with the Board Secretary.

The roles of the Chairman and the Director General are separately held and are clearly defined to ensure separation of responsibility. A board pack comprising the agenda, minutes of the previous Board meetings and all the supporting documentation is prepared and delivered to all Board members in advance so that they have adequate time to prepare and participate effectively in meetings.

BOARD COMMITTEES



The Board sets out the terms of reference and composition of its three committees taking into account the professional areas of specialisation of the Board members. Members are allocated to serve on committees of the Board in their areas of strategic strength and expertise. This enables the Board members to look at those key areas in detail and add value to the Institute. All the committees come up with items for information to the main Board and recommendations for adoption and approval by the Board.

COMMITTEE MEETINGS AND ATTENDANCE IN 2020

Name	Human Resources Management	Audit and Finance	Strategy and Business development	Main Board
Meetings Held (2020)	3	4	4	4
Mr N Matimba	n/a	n/a	n/a	4
Comm T W Bare	n/a	n/a	3	2

Mr F Mpofu	3	n/a	n/a	3
Mrs F Sekeso	n/a	4	3	3
Mrs G Maramba	2	n/a	3	4
Hon B Chanetsa	0	n/a	n/a	0
Professor C Nherera	n/a	4	4	2
Mrs A Manyanya	3	4	n/a	4
Dr Edgar S.Makande	3	4	4	4

In accordance with the ZIPAM Act Chapter 25:17, the governors are required to declare any material interests in any significant contract which may give rise to a conflict of interest.

INTERNAL CONTROL

The Board of governors is responsible for the Institute systems of internal control mainly, to reduce the risk of error, loss or failure to achieve corporate objectives in a cost-effective manner. These systems also provide reasonable, assurance on the integrity and reliability of the financial statements and maintain accountability of its assets and to minimise and detect significant fraud, potential loss, liability and material misstatement while complying with applicable laws and regulations. The controls at the Institute, concentrate on critical risk areas and ZIPAM has an internal auditor, who reports to the Director General administratively and to the chairperson of the Finance and Audit Committee. The Internal Audit Department is designed to serve management and the Board of Governors through independent evaluations and examinations of the Institute's activities and resultant business risks.

WORKS COUNCIL AND WORKERS' COMMITTEE

ZIPAM holds Works Council meetings quarterly. Each department has a representative member who attends these meetings. The works council comprises of three members of workers' committee and three management representatives. Works Council meetings provide a forum for management and worker consultations as well as deliberating on employee's concerns at the work place. Worker participation has been prioritised at the Institute as it is a key strategy for successful culture change and turnaround. Works Council meetings also serve as a communication channel between management and employees at the Institute.

All Communications should be addressed to:
The Auditor General
POBox CY 143, Causeway, Harare.
Telephone 263-04-793611/3/4, 762817/8/20-23
Telegrams: AUDITOR
Fax: 706070
E-mail : ocag@auditgen.gov.zw
Website: www.@auditgen.gov.zw



OFFICE OF THE AUDITOR GENERAL
5th Floor, Burroghs House
48 George Silundika Avenue
Harare

Ref: SB 21

REPORT OF THE AUDITOR-GENERAL
TO
THE MINISTER OF PUBLIC SERVICE, LABOUR AND SOCIAL WELFARE
AND
THE BOARD OF GOVERNORS
IN RESPECT OF THE FINANCIAL STATEMENTS OF
ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Zimbabwe Institute of Public Administration and Management as set out on pages 7 to 28, which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying inflation adjusted financial statements present fairly, in all material respects, the financial position of Zimbabwe Institute of Public Administration and Management as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 "The effects of changes in foreign exchange rates" on opening balances

The prior year financial statements did not comply with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates", as the Institute was unable to use an appropriate exchange rate on change of functional currency to translate the opening USD denominated balances and transactions from January 1 to February 22, 2019. The balances and transactions

were translated using the interbank rate, which came into existence on February 22, 2019 through Exchange Control Directive RU 28 of 2019 issued by the Reserve Bank of Zimbabwe.

The Institute used October 1, 2018 as the date of change in functional currency and translated its foreign denominated balances to ZWL at a rate of which was prescribed by Statutory Instrument 33 of 2019 which required that all assets and liabilities that were denominated in US\$ before 22 February 2019 be deemed to be RTGS dollars at a rate of and all transactions subsequent to February 22, 2019 be translated at the prevailing interbank rate. The Institute's inability to assess the appropriateness of using the prescribed rates in achieving fair presentation was primarily due to the need to comply with SI 33 and the fact that there were no official exchange rates between October 2018 and February 2019 due to lack of an observable foreign exchange market. In that regard the Institute's 2020 opening balances have an impact on the current year financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

I conducted my audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Zimbabwe Institute of Public Administration and Management in accordance with the ethical requirements that are relevant to my audit of the financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the financial year ended December 31, 2020. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements:

Key Audit Matters	How my audit addressed the Key Audit Matter
<p>Revenue recognition. Refer to note 15 and 16 of the financial statements</p> <p>The Institute reported inflation adjusted revenue amounting to ZWL139 287 608 (2019: ZWL 47 486 093) for the year ended December 31, 2020. The Institute's revenue is mainly from training and consultancy work and hotel services. Training and consultancy work includes various programs, which are priced differently based on various factors and pricing models.</p> <p>The hotel revenue was obtained from hotel services, which include accommodation, food and beverages and training venues. Numerous services of this nature were offered during the year. Considering the nature of the revenue streams, there was a risk that some revenue may have been inappropriately recognized.</p> <p>In addition, during the year, the Institute traded in both Zimbabwean dollars (ZWL) and United States Dollars. The United States dollars revenue was translated into the reporting currency at various interbank rates. Due to the factors discussed and the huge volume of transactions from the various revenue streams, revenue recognition was regarded as a complex area. The level of complexity and the presumed risk in revenue recognition were considered to be of most significance to the audit. As a result, revenue recognition was considered to be a Key Audit matter.</p>	<p>The audit procedures to address the risk material misstatement relating to revenue recognition included:</p> <ul style="list-style-type: none"> • Discussing the revenue cycle and pricing models with management and evaluating their appropriateness, • Testing of controls over the Institute's revenue billing system, • Conducting substantive analytical procedures on revenue, • Scrutinizing manual journals related to revenue to assess the timing and fair values of revenue recorded, • Evaluating the adequacy of the disclosures regarding receivables and • Discussing with management on their application of the daily interbank rates used to convert USD denominated sales to the reporting currency and evaluating the appropriateness of the rates used. <p>Based on the evidence gathered, I concluded that revenue was appropriately recognized.</p>

Other Information in the Annual Report

Those charged with governance are responsible for the Other Information. The Other Information comprises Director's Report and Corporate Governance Report as required by the Public Finance Management Act [Chapter 22:19] which I obtained prior to the date of the Auditors' report. MY opinion on the Institute's financial statements does not cover the Other Information and I do not express any form of assurance or conclusion thereon.

In connection with my audit of the Institute's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is consistent with the Institute's financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, if I conclude that there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

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

The management and those charged with governance are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Zimbabwe Institute of Public Administration and Management (ZIPAM) Act [Chapter 25:17 and the Public Finance Management Act [Chapter 22:19] and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management are responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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 International Standards on Auditing (SAS), I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial Statement⁸, 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 my 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 Institute's internal control;

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the directors;

Conclude on the appropriateness of the directors' 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 Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my 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 my opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Zimbabwe Institute of Public Administration and Management (ZIPAM) Act [Chapter 25: 17] and the Public Finance Management Act [Chapter 22:19].

September 24, 2021



M. CHIRI (MRS)

AUDITOR-GENERAL



**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2020**




ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF FINANCIAL POSITION

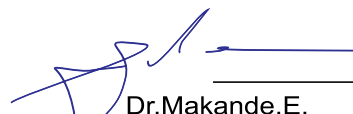
as at December 31, 2020

as at December 31, 2020					
		Inflation Adjusted		Historical Cost	
	Note	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
ASSETS					
Non-current assets		46 677 952	46 240 871	10 850 301	10 308 277
Property, plant and equipment	6	46 547 144	46 233 801	10 719 493	10 306 701
Intangible assets	7	130 808	7 070	130 808	1 576
Current assets		61 285 875	23 041 330	60 285 661	5 136 504
Inventories	8	1 957 540	682 097	957 326	152 057
Trade and other receivables	9	7 074 732	8 252 670	7 074 732	1 839 732
Cash and cash equivalents	10	52 253 603	14 106 563	52 253 603	3 144 715
Total assets		107 963 827	69 282 201	71 135 962	15 444 781
RESERVE S AND LIABILITY S					
Reserves		93 883 073	52 414 423	59 258 192	11 684 520
Non-distributable reserve		-	59 680 873	-	13 304 399
Revaluation reserve		87 848	-	129 232	-
Accumulated fund		93 795 225	(7 266 450)	59 128 960	(1 619 879)
Non current liabilities		2 278 618	413 976	75 634	92 286
Deferred income	11	2 278 618	413 976	75 634	92 286
Current liabilities		11 802 136	16 453 802	11 802 136	3 667 975
Trade and other payables	12	10 593 433	15 079 649	10 593 433	3 361 641
Leave pay provision	13	1 208 703	1 374 153	1 208 703	306 334
Total reserves and liabilities		107 963 827	69 282 201	71 135 962	15 444 781

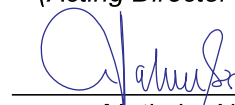
21 September ,2021


 Mazvabo. T
 (Finance and Administration Manager).
 (ICSAZ- PAAB-3471)

21 September ,2021


 Dr. Makande. E.,
 (Acting Director General).

21 September ,2021


 Matimba N.M.
 (Board Chairman).

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

for the year ended December 31, 2020

		Inflation Adjusted		Historical Cost	
	Note	2 020 ZWL	2 019 ZWL	2 020 ZWL	2 019 ZWL
Revenue		139 340 978	47 486 102	85 366 410	8 886 167
Training	14	7 736 194	3 957 364	3 898 822	882 198
Hotel revenue	15	103 523 956	39 316 884	64 860 326	7 065 041
Other income	16	28 080 828	4 211 854	16 607 262	938 928
Less Expenditure		58 435 424	32 382 379	37 921 970	5 519 160
Administration costs	17	17 860 087	10 621 638	12 340 858	2 433 902
Employment costs	18	25 569 529	12 946 579	17 330 446	2 886 125
Operating costs	19	15 005 808	8 814 162	8 250 666	199 133
Profit for the year		80 905 554	15 103 723	47 444 440	3 367 007
Monetary loss		(39 524 752)	-	-	-
Total comprehensive income for the year		41 380 802	15 103 723	47 444 440	3 367 007

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2020

	Inflation Adjusted			Total
	Accumulated	Revaluation	Non-distributable	
	fund ZWL	reserve	reserve ZWL	ZWL
Opening balance at January 1, 2019	(22 370 173)	-	59 680 873	37 310 700
Total comprehensive income for the year	15 103 723	-	-	15 103 723
Closing balance at December 31, 2019	(7 266 450)	-	59 680 873	52 414 423
Opening balance at January 1, 2020	(7 266 450)	-	59 680 873	52 414 423
Elimination of reserves	59 680 873	-	(59 680 873)	-
Gain on revaluation of intangible asset	-	87 848	-	-
Total comprehensive income for the year	41 380 802	-	-	41 380 802
Closing balance at December 31, 2020	93 795 225	87 848	-	93 795 225

	Historical			Total
	Accumulated	Revaluation	Non-distributable	
	fund ZWL	reserve	reserve ZWL	ZWL
Opening balance at January 1, 2019	(4 986 886)	-	13 304 399	8 317 513
Total comprehensive income for the year	3 367 007	-	-	3 367 007
Closing balance at December 31, 2019	(1 619 879)	-	13 304 399	11 684 520
Opening balance at January 1, 2020	(1 619 879)	-	13 304 399	11 684 520
Elimination of reserves	13 304 399	-	(13 304 399)	-
Gain on revaluation of intangible asset	-	129 232	-	-
Total comprehensive income for the year	47 444 440	-	-	47 444 440
Closing balance at December 31, 2020	59 128 960	129 232	-	59 258 192

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF CASHFLOWS

for the year ended December 31, 2020

	Notes	Inflation Adjusted		Historical Cost	
		2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Cash flows from operating activities		39 965 879	14 868 020	50 205 556	3 380 531
Operating cashflow before changes in working capital		44 549 600	17 709 380	49 014 033	4 014 166
Net profit for the period		41 380 802	15 103 723	47 444 440	3 367 007
<i>Adjustments for non cash items:</i>		3,168,798	2 605 657	1 569 593	647 159
Depreciation	6	1 505 496	1 698 795	683 876	444 773
Government grant amortisation	11	(34 050)	(74 698)	(16 652)	(16 652)
Monetary loss		39 524 752	-	-	-
Leave pay provision	13	(165 450)	981 560	902 369	219 038
Effects of inflation on cash and cash equivalents		(37 661 950)	-	-	-
Working capital changes		(4 583 721)	(2 841 360)	1 191 523	(633 635)
(Increase) in inventories		(1 275 443)	(579 808)	(805 269)	(129 254)
Decrease/(Increase) in receivables		1177 938	(5 179 430)	(5 235 000)	(1 154 628)
(Decrease)/Increase in payables		(4 486 216)	2 917 878	7 231 792	650 247
Cash flows from investing activities		(1 818 839)	(1 216 904)	(1 096 668)	(337 347)
Purchase of property and equipment	7	(1 818 839)	(1 216 904)	(1 096 668)	(337 347)
Cash flows from financing activities		-	95 157	-	21 213
Government capital grant		-	95 157	-	21 213
Net increase(decrease) in cash and cash equivalents		38 147 040	13 746 273	49 108 888	3 064 397
Cash and cash equivalents at beginning of the year		14 106 563	360 290	3 144 715	80 318
Cash and cash equivalents at end of the year	11	52 253 603	14 106 563	52 253 603	3 144 715

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

1. REPORTING ENTITY NATURE OF BUSINESS

The Institute is incorporated in Zimbabwe through the Zimbabwe Institute of Public Administration and Management Act of Parliament 1990, [Chapter 25:17]. The Institute is responsible for the dissemination of information relating to, and the promotion, teaching, direction, supervision, study and coordination of matters of administration and management with particular reference to the interest of the Public Service, Local Authorities, Parastatals and the private sector. The word Institute, as used in this context, refers to the Zimbabwe Institute of Public Administration and Management (ZIPAM) and vice versa.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements for the year ended December 31, 2020, have been prepared in conformity with International Financial Reporting Standards, promulgated by the International Accounting Standard Board (IASB), which includes standards and interpretations approved by the IASB as well as International Accounting Standards and Standing Interpretations Committee (SIC) except for the non-compliance with International Accounting Standards (“IAS”) 21, “The effect of the Changes in Foreign Exchange Rates” explained in note 3.1.

2.2 Basis of measurement

The inflation adjusted annual financial statements have been prepared based on the restatement of statutory records that are maintained under the historical cost basis, except for property, plant and equipment which is measured at revalued amounts.

2.3 Functional and presentation currency

These financial statements are presented in Zimbabwean Dollar (ZWL\$) which is the Institute functional currency. All the financial information presented has been rounded to the nearest dollar.

The Reserve Bank of Zimbabwe Governor issued the monetary policy statement on 20 February 2019 which led to the Exchange Control Directive RU 28 of 2019. The Directive introduced an interbank market for the RTGS Dollar and the United States Dollar at 1:1 through Statutory Instrument 33 of 2019 on 22 February 2019. The Institute adopted October 1 2018 as the date of change of the reporting currency in line with Statutory instrument. The implication of the Statutory Instrument was that the

currency of the primary economic environment in Zimbabwe was no longer the United States Dollar but the RTGS Dollar. As at that date Assets and Liabilities that were immediately before the effective date valued and expressed in United States Dollars were to be deemed to be values in RTGS Dollars at a rate of one to one to the USD.

2.4 Critical accounting judgments, assumptions and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.4.1 Useful lives and residual values of property, plant and equipment

The Institute assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.3.1 and no changes to these useful lives have been considered necessary during the year. Management has set residual values for all classes of property, plant and equipment at zero.

2.4.2 Impairment and provisioning policies

At each statement of financial position date, the Institute reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognised in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.4.3 Uncollectable accounts receivable

The Institute estimates the allowance for uncollectable accounts based on management's assessment of collection indicators on each specific debt and the age of the debt to determine the rate applied in compliance with IFRS 9.

2.4.4 Taxation

The Institute is exempted from tax in terms of Income Tax Act [Chapter 23:06].

2.5 Hyperinflation

The Public Accountants and Auditors Board (PAAB) through its pronouncement provided guidance to all entities that report in accordance with the International Financial Reporting Standards (IFRS) in the application of Financial Reporting in Hyperinflationary Economies Standard (IAS 29) in Zimbabwe. The pronouncement requires that entities that prepare and present financial statements for financial periods ended on or after 1 July 2019 should apply the requirement of IAS 29 “Financial Reporting in Hyperinflationary Economies”.

The Institute has adopted IAS 29 Financial Reporting in Hyperinflationary Economies in the preparation of its 2020 Financial Statements. As such, all the elements of the financial statements have been restated in line with IAS 29.

The Institute adopted the Consumer Price index (CPI) as the general price index to restate transactions and balances.

The following indices were used to prepare the financial statements:

Dates	Indices	Adjusting factor
CPI as at December 2019	551.63	4.4858
CPI as at December 2020	2,474.51	1.0000

The source of the price indices used is the Reserve Bank of Zimbabwe website.

Procedures used in restating the historical financial statements are;

- a. Current period monetary assets and liabilities are not restated while non-monetary assets and liabilities that are not carried at current reporting period end are restated by the relevant monthly conversion factors.
- b. All items in the Statement of Profit and Loss and Other Comprehensive Income are restated by applying the relevant monthly conversion factors
- c. Comparative amounts have been restated to reflect a change in the general price index from 31 December 2019 to the end of the reporting period. All items in the statement of cash flows are expressed based on the restated financial information for the period.

2.6 Contingent liabilities

The Institute had no contingent liabilities arising from events that occurred before the close of the Institute’s financial year of 31 December 2020.

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2019.

3.1 Foreign currency

3.1.1 Foreign currency transactions

While the Institute's records are maintained in Zimbabwean (ZWL) Dollars, some of its transactions are conducted in other major foreign currencies. Foreign exchange gains and losses resulting from the settlement of such transactions and from measurement of Foreign exchange gains and losses resulting from the settlement of such transactions and from measurement of monetary items denominated in foreign currency at year end exchange rates are recognized in profit or loss.

Transactions in foreign currencies are translated to Zimbabwean Dollars at interbank exchange rates ruling at the time of the transactions. Transactions and translation gains and losses arising from conversion or settlement of foreign debts are dealt with in the statement of comprehensive income in determination of the operating income.

Non-monetary items are not translated at year end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using exchange rates at the date when fair value was determined.

In the Institute's financial statement all assets, liabilities and transactions of the Institute with a functional currency other than the Zimbabwe dollar are translated into Zimbabwe dollars. The functional currency of the Institute changed from United States Dollars to Zimbabwean Dollars during the reporting period.

3.2 Revenue recognition

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which defines principles for recognizing revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by other applicable standards (e.g. IFRS 9 and IFRS 16 Leases)

IFRS 15 requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets, including property, plant and equipment and intangible assets.

The standard outlines the principles the Institute must apply to measure and recognize revenue. The core principle is that the Institute will recognize revenue at an amount that reflects the consideration to which the Institute expects to be entitled in exchange for transferring goods and services to a customer.

The principles in IFRS 15 will be applied using a 5 step model:

- a. Identify the contract(s) with a customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligations in the contract
- e. Recognise revenue when (or as) the Institute satisfies a performance obligation

IFRS 15 requires the Institute to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers.

Some of the revenue is recognized under IFRS 9 and IFRS 16.

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

Property, plant and equipment held for use in the supply of services or for administrative purposes, are stated at carrying amounts.

Depreciation

Depreciation, which is calculated on the straight-line basis, is provided to write off the cost less the estimated residual value of fixed assets over their estimated useful lives. The Institute assesses useful life and residual values of property, plant and equipment each year taking into account past experiences and technological changes. Management has set residual values for all classes of property, plant and equipment at zero. Linen, Cutlery, Cookery and spares and tools are charged on the replacement cost basis. The annual rates used for depreciation are as follows:

Buildings	2.5%
Furniture, fittings and equipment	10%
Motor vehicles	20%
Computers	33%

Where the items of property, plant and equipment are revalued, depreciation is based on the gross replacement cost.

3.3.2 Revaluation of property, plant and equipment

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of property, plant and equipment is recognized in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in the statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property, plant and equipment is recognized in the statement of comprehensive income to the extent that it exceeds the balance, if any, held in asset revaluation reserve relating to previous revaluation of the asset. Depreciation on revalued assets is recognized in the statement of profit or loss and other comprehensive income.

3.4 Intangible Assets

Intangible assets are revalued at the end of each year. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

The institute's intangible asset pertains to website and is not amortised according to IAS 38 since it is deemed to have an indefinite life.

3.5 Inventory

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the average cost principle, and includes expenditure incurred in acquiring the inventories.

3.6 Grants

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position as deferred income under non-current liabilities and are recognized as income on a systematic and rational basis over the useful life of the asset.

They exclude those forms of government assistance which cannot reasonably have value placed upon them and transactions with government which cannot be distinguished from the normal trading.

Grants related to income are credited to the statement of profit or loss and other comprehensive income. Non-monetary grants are valued at nominal amounts based on management estimates.

3.7 Financial instruments

Financial Instruments are contracts that give rise to financial assets or financial liabilities. Financial assets and financial liabilities are recognised on the Institute's statement of financial position when the Institute becomes a party to the contractual provisions of the instrument. These instruments are generally carried at their estimated carrying values.

Non-derivative financial instruments carried in the statement of financial position comprise: cash and cash equivalents, trade and other receivables, trade and other payables. These instruments are recognised initially at fair value plus any directly attributable transaction costs.

3.7.1 Recognition

Financial assets and liabilities are initially recognised on the date that the Institute becomes a party to the contractual provisions of the instrument.

3.7.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss and transaction costs. Trade receivables are measured at the transaction price.

3.7.3 Classification

The Institute has classified its financial assets in the following categories:

- Cash and cash equivalents,
- Financial assets measured at amortised cost and,
- Financial assets at fair value through other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash and balances with entities, unrestricted balances held with the Institute, unrestricted balances held with other entities and any highly liquid financial asset used by the Institute in the management of its short-term commitments.

3.7.4 Measurement of financial assets

From 1 January 2020, the Institute has classified all its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortized cost,
- FVOCI and
- FVPL.

3.7.5 De-recognition of financial assets and liabilities

(i) Financial assets

A financial asset is de-recognised when the rights to receive cash flows from the financial assets have expired. The Institute also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for de-recognition.

(i) Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.7.6 Impairment of financial assets

(i) Determining the stage for impairment

At each reporting date, the Institute assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of recognition. The Institute considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward looking analysis.

An exposure will migrate through the Expected Credit Loss (ECL) stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Institute's investment grade criteria are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12 -months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the Statement of Profit or loss.

(ii) Measurement of ECLs

Zimbabwe Institute of Public Administration and Management's expected credit losses on receivables are calculated on the basis of simplified approach. The ECL is measured at an amount equal to lifetime credit losses applied on a portfolio of trade receivables with shared characteristics. The portfolio basis if assessing changes in credit risk is most applicable since the Institute has a large number of trade receivables on which it is not practically possible to monitor or obtain forward looking information on each customer.

ECLs are recognised using a provision for doubtful debts account in profit or loss. The Institute recognises the provision charge in the statement of profit or loss, with the corresponding amount recognised in the statement of financial position, with a reduction in the carrying amount of the asset in the statement of financial position.

(iii) Off-setting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.8 Employment benefits

3.8.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Institute pays fixed contributions into separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss and other comprehensive income in the period during which related services are rendered by employees.

3.9 Leases

The Institute leased a small piece of land and the rental income from the operating lease is recognised on a straight-line basis over the lease term in compliance with IFRS 16. The underlying asset subject to operating lease is not impaired and therefore no impairment loss is recognised. No depreciation is recognised as cost for the underlying asset because the asset is deemed not to be depreciable.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash and balances with entities, unrestricted balances held with the Institute, unrestricted balances held with other entities and any highly liquid financial asset used by the Institute in the management of its short-term commitments.

4. Subsequent events

National lockdown in response to Covid-19 pandemic

The government of Zimbabwe declared a national lockdown with effect from 30 March 2020 in response to the World Health Organisation's (WHO) declaration of the COVID -19 outbreak as a pandemic. The Institute considers this outbreak to be a non-adjusting event occurring after the reporting period.

The Institute was declared an essential service provider and was required to remain open during the lockdown period and had to ask some of its employees to come to work during the first phase of the lockdown. Full staff complement reported for duty during the second phase and thereafter. In order to ensure the safety of staff, visitors and other stakeholders, several measures were put in place in line with national guidance and regulations. These measures included, wearing of masks, social distancing, temperature checking, washing of hands, sanitization and decongestion of hostels and other common places.

To date, the Institute has recorded no COVID-19 infections amongst its staff members.

The ripple effects of the lockdown, closure of national borders and delayed opening of some of the economic sectors of the country will continue to be felt throughout the year. The sector which delayed to open and is specific to Institute's performance is the education sector. Staff movement to and from work was a major challenge and is expected to remain so during the last half of the year. The overall effect to the country's economic performance, including the global perspective, is a negative growth rate and a quick adaptation to the new norm is perceived as the solution to sustainable positive performance and growth at organizational level or country and global perspectives.

5. Going concern assumption

The Institute had an inflation adjusted surplus of ZWL41 380 801 in 2020 (ZWL 15 103 719 in 2019). Management have assessed the ability of the Institute to continue operating as a going concern and believe that the preparation of these financial statements on going concern is appropriate. The ability of the Institute to continue operating as a going concern is also assured by continued government support.

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

6. Property, plant and equipment

						Inflation Adjusted	
	Land	Buildings	Motor Vehicles	Furniture, Fittings & Equipment	Computers	Total 2020 ZWL	Total 2019 ZWL
	ZWL	ZWL	ZWL	ZWL	ZWL		
Opening carrying amount	7 177 280	37 205 530	753 964	938 825	158 201	46 233 801	46 715 692
Gross carrying amount	7 177 280	51 811 753	1 181 443	1 939 889	713 413	62 823 777	61 930 521
Accumulated depreciation	-	(14 606 222)	(427 479)	(1 001 064)	(555 212)	(16 589 977)	(15 214 829)
Additions	-	-	-	296 048	1 522 791	1 818 839	1 216 904
Depreciation charge for the year	-	(635 668)	(99 889)	(132 939)	(637 000)	(1 505 496)	(1 698 795)
Closing carrying amount	7 177 280	36 569 862	654 075	1 101 934	1 043 992	46 547 144	46 233 801
Gross carrying amount	7 177 280	51 811 753	1 181 443	2 235 937	2 236 204	64 642 616	63 147 425
Accumulated depreciation	-	(15 241 890)	(527 368)	(1 134 003)	(1 192 212)	(18 095 473)	(16 913 624)

						Historical	
	Land	Buildings	Motor Vehicles	Furniture, Fittings & Equipment	Computers	Total 2020 ZWL	Total 2019 ZWL
	ZWL	ZWL	ZWL	ZWL	ZWL		
Opening carrying amount	1 600 000	8 294 068	168 078	209 288	35 267	10 306 701	10 414 127
Gross carrying amount	1 600 000	11 550 170	263 374	432 451	159 038	14 005 033	13 805 903
Accumulated depreciation	-	(3 256 102)	(95 296)	(223 163)	(123 771)	(3 698 332)	(3 391 776)
Additions				242 254	854 414	1 096 668	337 347
Depreciation charge for the year		(288 754)	(45 375)	(60 388)	(289 359)	(683 876)	(444 773)
Closing carrying amount	1 600 000	8 005 314	122 703	391 154	600 322	10 719 493	10 306 701
Gross carrying amount	1 600 000	11 550 170	263 374	674 705	1 013 452	15 101 701	14 143 250
Accumulated depreciation	-	(3 544 856)	(140 671)	(283 551)	(413 130)	(4 382 208)	(3 836 549)

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

7	Intangible Assets	Website	Inflation Adjusted	
			Total 2020 ZWL	Total 2019 ZWL
	Opening carrying Amount	42 960	42 960	7 070
	Gross carrying amount	42 960	42 960	7 070
	Revaluation	87 848	87 848	-
	Closing carrying Amount	130 808	130 808	7 070
	Gross carrying amount	130 808	130 808	7 070

	Website	Historic Cost	
		Total 2020 ZWL	Total 2019 ZWL
Opening carrying Amount	1 576	1 576	1 576
Gross carrying amount	1 576	1 576	1 576
Revaluation	129 232	129 232	-
Closing carrying Amount	130 808	130 808	1 576
Gross carrying amount	130 808	130 808	1 576

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

	Inflation Adjusted		Historical Cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
8 Inventory	1 957 540	682 097	957 326	152 057
Hotel stocks	1 650 943	572 549	807 386	127 636
Bar stocks	306 597	109 548	149 940	24 421
9 Trade and other receivables	7 074 732	8 252 670	7 074 732	1 839 732
Trade receivables	7 460 296	8 887 572	7 460 296	1 981 268
Prepayments	222 798	26 830	222 798	5 981
Allowances for credit loss	(608 362)	(661 732)	(608 362)	(147 517)
10 Cash and cash equivalents	52 253 603	14 106 563	52 253 603	3 144 715
Bank balances	51 807 262	14 048 243	51 807 262	3 131 714
Ecocash	446 341	57 876	446 341	12 902
Cash on hand	-	444	-	99
11 Deferred income	2 278 618	413 976	75 634	92 286
Opening balance	2 312 668	393 517	92 286	87 725
Additions	-	95 157	-	21 213
Amortised during the year	(34 050)	(74 698)	(16 652)	(16 652)
12 Trade and other payables	10 593 433	15 079 649	10 593 433	3 361 641
Trade payables	2 259 240	2 783 538	2 259 240	620 522
Salary arrears	15 149	654 954	15 149	146 006
Board fees arrears	20 656	84 988	20 656	18 946
Medical Aid	-	24 941	-	5 560
Trade union	16 858	11 389	16 858	2 539
ZB Life assurance	23 267	2 162 887	23 267	482 163
Pay as you earn (PAYE)	376 551	731 804	376 551	163 138
National Social Security Authority	114 136	58 777	114 136	13 103
Manpower levy	248 094	301 971	248 094	67 317
Standards levy	24 769	111 109	24 769	24 769
Audit fees	-	375 004	-	83 598
Prepaid customers	7 227 257	2 500 748	7 227 257	557 481
Value Added Tax	264 428	5 146 361	264 428	1 147 256
Withholding tax	3 028	131 178	3 028	29 243

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

	Inflation Adjusted		Historical Cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
13 Leave pay provision	1 208 703	1 374 153	1 208 703	306 334
Leave pay provision	1 208 703	1 374 153	1 208 703	306 334
14 Training revenue	7 736 194	3 957 364	3 898 822	882 198
Training and consultancy fees	7 736 194	3 957 364	3 898 822	882 198
15 Hotel revenue	103 523 956	39 316 884	64 860 326	8 764 743
Hotel revenue	103 523 956	39 316 884	64 860 326	8 764 743
16 Other income	28 080 828	4 211 854	16 607 262	938 928
Sundry income	4 807 825	50 959	3 432 493	11 360
Amortisation-government grant	34 049	74 698	16 652	16 652
ZESA settlement	118 883	48 299	63 749	10 767
Donations	-	47 581	-	10 607
ZIMRA tax settlement	-	448 580	-	100 000
Foreign Exchange Gain	22 702 907	3 514 795	12 854 800	783 536
Clinic sales	13 252	8 492	6 020	1 893
Decrease in allowance for credit loss	53 370	-	-	-
Lease income	350 542	18450	233 548	4113

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

	Inflation Adjusted		Historical Cost	
	2020	2019	2020	2019
	ZWL	ZWL	ZWL	ZWL
17 Administration costs	17 860 087	10 621 638	12 340 858	2 433 904
Board expenses	155 286	385 249	55 853	85 882
Board fees	1 153 084	314 455	1 058 783	70 100
Cleaning and fumigation	768 130	305 461	434 831	68 095
Consulting fees	138 246	107 623	95 747	23 992
Depreciation	1 505 496	1 698 795	683 876	444 773
Electricity	1 891 113	783 611	1 039 433	174 687
Electrical consumables	67 691	126 885	50 498	28 286
Fuel and lubricants	1 482 097	1 433 451	869 282	319 553
Legal expenses	-	55 054	-	12 273
Licences and insurances	235 055	78 551	105 174	17 511
Periodicals and subscriptions	437 156	57 535	253 368	12 826
Postages and telephones	1 112 128	685 596	824 234	152 837
Printing and stationery	549 058	351 812	393 740	78 428
Rent and rates	12 388	71 773	11 040	16 000
Repairs and maintenance	3 600 073	1 237 166	2 534 979	275 796
Sundry expenses	164 142	48 258	63 033	10 758
Travel and subsistence	146 342	249 967	114 722	55 724
Vehicle hire	390 865	588 322	105 929	131 152
Water	1 322 530	253 542	962 281	56 521
Audit fees	1 153 084	130 353	1 076 645	29 059
Bank charges	836 142	616 802	529 436	137 501
Increase in allowance for credit loss	-	248 083	460 845	55 304
Penalties and fines	78 621	102 882	62 409	22 935
Tourism levy	425 199	685 560	337 460	152 829
Bad debts written off	232 171	1 431	215 953	319
Environmental levy	3 990	3 421	1 307	763
18 Employment costs	25 569 529	12 946 579	17 330 446	2 886 125
Basic salary	7 840 295	4 866 124	4 987 845	1 084 784
Hazard Allowance	1 613 195	-	1 202 154	-
Cushioning Allowance	5 380 305	535 219	3 496 504	119 314
Other staff costs	10 735 734	7 545 236	7 643 943	1 682 027

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

	Inflation Adjusted		Historical Cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
19 Operating costs	15 005 808	8 814 162	8 250 666	1 964 903
Marketing and advertisements	127 287	70 920	118 121	15 810
Hotel cost of sales	12 051 232	6 614 424	6 383 572	1 474 525
Cutlery and linen	782 143	296 368	730 860	66 068
Other Operating costs	2 045 146	1 832 450	1 018 113	408 500

20 Leases

The institute leased a piece of land to Netone for base station. The lease was considered to be of a low value hence was accounted for as an operating lease. The lease income realised is as given below:

	Inflation Adjusted		Historic cost	
	2020 ZW\$	2019 ZW\$	2020 ZW\$	2019 ZW\$
Lease Income	350 542	18 450	233 548	4 113

21 Related party transactions

21.1 Board of directors fees	1 418 995	312 746	1 108 636	155 982
Board fees	1 263 707	119 222	1 052 783	70 100
Other board expenses	155 288	193 524	55 853	85 882
21.2 Key management staff	7 408 528	2 973 777	4 741 258	906 432
Remuneration	3 511 196	1 577 585	2 208 128	480 861
Allowances	3 897 332	1 396 192	2 533 130	425 571

22 Pension arrangements

22.1 ZB Pension fund

Pensions are provided for all permanent employees by a separate fund to which the Institute contributes. The pension fund, which is administered by ZB bank, is a defined contribution plan in which the retirement benefits are determined by reference to the employees' pensionable remuneration and years of service.

22.2 NSSA

The National Social Security Authority was introduced in October 1994 and with effect from that date, all employees are members of the scheme to which both the Institute and the employees contribute as follows;

Employees: 3.5% of the monthly basic salary.

Employers: 3.5% of the monthly basic salary.

Contributions by the employer are charged to the Statement of comprehensive income during the period under review. These amounted to: ZWL414 222

HEALTH AND WELLNESS TRAINING



COURSE OBJECTIVES:

The course in health and wellness is designed to develop participants' knowledge and skills of managing their health and wellness and that of others. The course also covers current trends and best practices in the development of a healthy and well society.