



**ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT**



# **ANNUAL REPORT**

## **2023**



**ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT**

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ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

Lake Manyame (West Bank)  
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Darwendale

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03 September 2024

**The Minister**

Honourable July Moyo

Ministry of Public Service, Labour and Social Welfare

9<sup>th</sup> Floor Kaguvi Building

P.O Box CY17

Causeway

Harare

Dear Honourable. Minister

**RE: ZIPAM ANNUAL REPORT AND AUDITED FINANCIALS FOR THE YEAR  
2023**

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 31<sup>st</sup> December 2023.

Yours faithfully

A handwritten signature in black ink, appearing to read 'N.M. Matimba'.

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 VALUES

### 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 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 analysis and enhancing the public sector performance in meeting the new dispensation goals.

#### SHORT TERM TRAINING PROGRAMMES

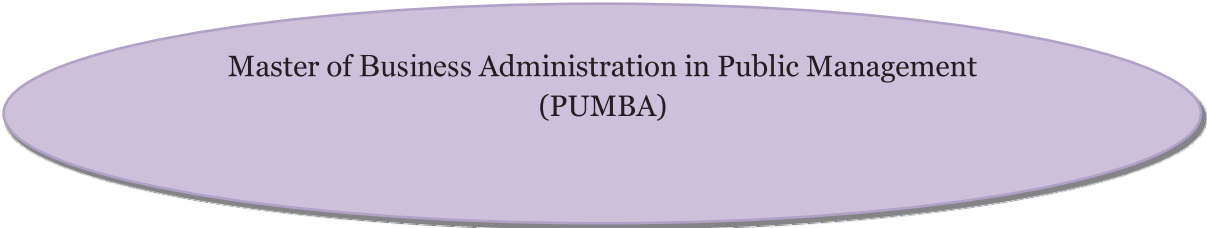
- Applied Research Techniques
- Conflict Management
- Corporate Governance for State Enterprises and Parastatals
- Crafting and Implementing Strategy
- Entrepreneurial Skills
- Executive Management Development Programmes
- Finance for Non-Finance Managers
- Fundamentals of Project Management
- Health 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

## **LONG TERM TRAINING PROGRAMMES**

### **DEGREE PROGRAMMES**

ZIPAM offers a Masters' Degree programme in affiliation with National University of Science and Technology (NUST).

### **POSTGRADUATE DEGREE (NUST)**



Master 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 that blend with natural scenic environment of Lake Manyame.



**Fig 1: ZIPAM Hotel Executive Prototype Room**



**Fig 2: ZIPAM Restaurant with new furniture**

## 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 consultancy and research services.

### HOSPITALITY

- ✚ We keep our hotel rooms clean and fresh always;
- ✚ We check in our clients within 10 minutes of arrival;
- ✚ We serve healthy, nutritious and freshly prepared meals;
- ✚ 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.

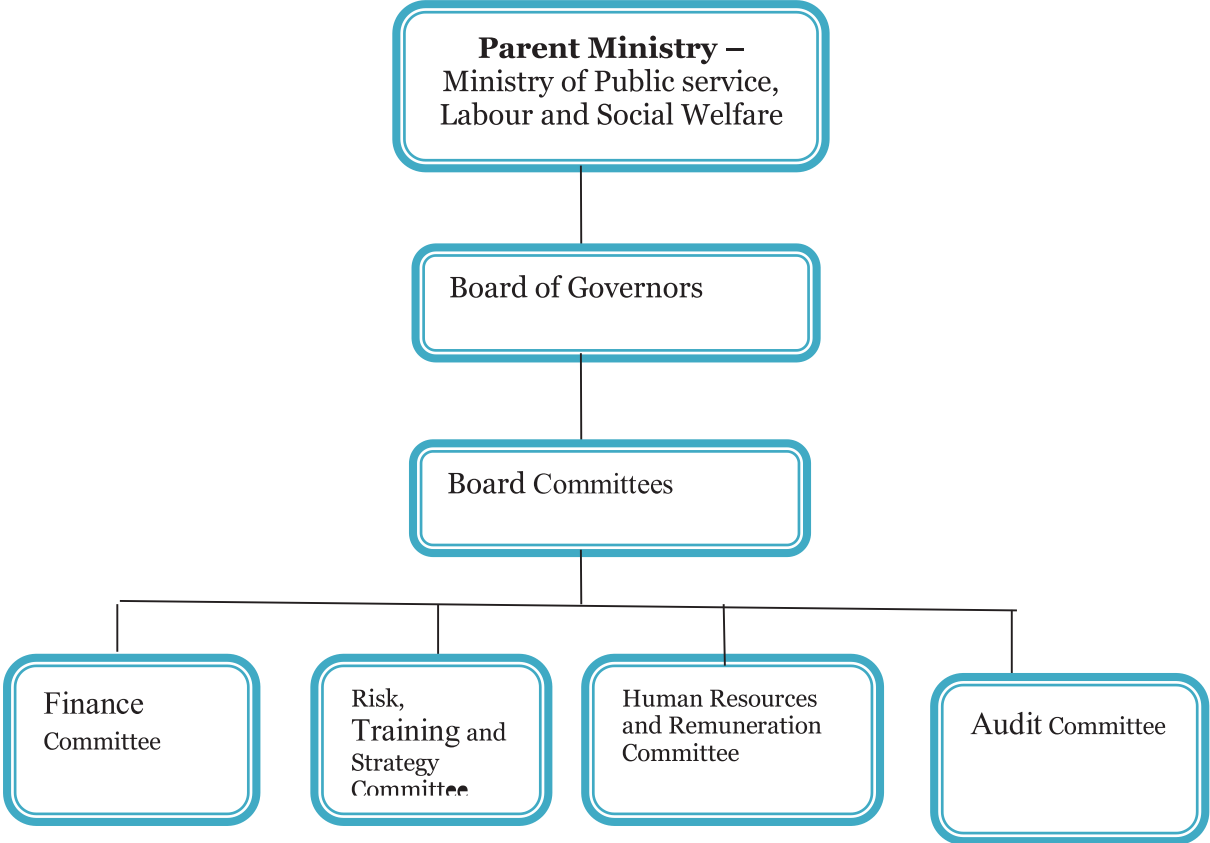
### WE EXPECT OUR CLIENTS TO:

- ✚ 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

## ZIPAM 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 36 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 of Zvitambo Institute for Martenal and Child Health Research, Chairman and Director at Q Partnership Consultancy and Honorary Treasurer of the Zimbabwe Agriculture Society.



**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.



**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).



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. Constance Chigwamba – Board Member

Mrs. Constance Chigwamba, is a seasoned Educationist and Trainer, Programme Facilitator especially Logframe and IRBM processes, Strategic Planner, Human Resources Practitioner, Public Administrator, Negotiator and Counsellor. She holds amongst other qualifications, a Diploma in Teaching from Gweru Teachers College, a Diploma in Personnel Management (IPMZ), a Bachelor of Education (Mathematics and Education) Degree, University of Zimbabwe and a Masters of Education (Curriculum Studies) Degree, University of Zimbabwe. She has been a member of various Boards from 2003 to date. Currently she also sits on the following Boards besides ZIPAM, Marondera University of Agricultural Sciences and Technology (MUASt) as Chairperson, Murambinda Mission Hospital as Chairperson, HelpAge Zimbabwe as Vice Chairperson, and St Martins Primary School. Mrs Chigwamba retired from the Public Service having been Permanent Secretary in various Ministries. She is currently the Executive Director of Mashambanzou Care Trust.



### **Mr. Langton Ngorima- Board Member**

Mr Langton Ngorima is a labour Expert, with vast experience spanning over 23 years having worked in various capacities in the Ministry of Public, Service, Labour and Social welfare from 2000 to date. He holds a number of qualifications which include, a Bachelor of Science (Honours) in Political Science and Administration, (University of Zimbabwe), and a Masters in Industrial and Employment Relations, (University of Turin, Italy and the International Training Centre of the ILO Italy). He is currently the Deputy Director International Relations Division responsible for the coordination of all International Relations matters of the Ministry as well as, coordination of ILO, ARLAC, AU-Labour and Social Affairs Commission, and SADC-ELS activities of Government among other duties.



Dr Edgar. S. Makande – Director General

Dr. Edgar S. Makande joined ZIPAM as the Deputy Director General in 2017 and is currently the 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 has 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

The Board has eight non-executive members, and one executive member, the Director General, in line with the ZIPAM Act. During the year the Board operated with 6 members comprising 2 women and 4 men following the appointment of Dr. Tsitsi Choruma to the position of Secretary to the Commissions in 2022 and the passing on of Mrs Fortunate Sekeso on the 18<sup>th</sup> of March 2023.

## BOARD SUB– COMMITTEES

### Risk, Training and Strategy Committee

Mrs. C. Chigwamba - Chairperson  
Professor. C. Nherera - Member

### Finance Committee

Mrs. C. Chigwamba - Chairperson  
Mrs. A. Manyanya - Member

### Human Resources and Remuneratic Committee

Mr. F. Mpofu - Chairperson  
Mrs. C. Chigwamba - Member  
Mr. L. Ngorima - Member

### Audit Committee

Professor. C. Nherera - Chairperson  
Mr. F Mpofu - Member

## **ZIPAM MANAGEMENT**



**Director General**  
*Dr. E. S. Makande*



**Finance and Administration  
Manager**  
*Mrs. T. Mazvabo*



**Senior Consultant**  
*Mr. A. Marisa*



**Center Manager**  
*Mr. C. Patel*



**Human Resource Officer**  
*Mrs. A. P. Makamba*



**Procurement Administrator**  
*Mr. J. Ndlovu*



**Internal Auditor**  
*Mr. M. Ganye*



**P. A to Director General**  
*Ms. M. Makopa*



**Accountant**  
*Mr. R. Machachacha*



**ICT Administrator**  
*Mr. I. Dzepatsva*



## **CORPORATE INFORMATION**

<b>REGISTERED OFFICE:</b>	<b>ZIPAM COMPLEX Lake Manyame (West Bank Off Robert Mugabe Highway Darwendale</b>
<b>POSTAL ADDRESS:</b>	<b>P.O. Box 126, Norton</b>
<b>CONTACT DETAILS:</b>	<b>Tel: 024215 - 2001/6,2055 Email: <a href="mailto:directorgeneral@zipam.ac.zw">directorgeneral@zipam.ac.zw</a></b>
<b>AUDITORS:</b>	<b>Office of the Auditor General 5th Floor Burroughs House 48 George Silundika Avenue Harare</b>
<b>PRINCIPAL BANKERS:</b>	<b>ZB Bank, Murombedzi  CBZ Bank, Samora Machel</b>

## **FINANCIAL STATEMENTS**

<b>Currency of Accounts:</b>	<b>ZWL</b>
<b>Period of Accounts:</b>	<b>Year ended 31 December 2023</b>

## CHAIRMAN'S STATEMENT

### For the year ended 31 December 2023



#### 2023 Financial Highlights

##### Restated figures (ZWL)

	2023	2022	% Change	
Training Volumes	931	1428	-35%	↓
Hotel Occupancy	46%	43%	7%	↑
Total Revenue	\$12.5b	\$3.8m	232%	↑
Total Expenditure	\$10.2b	\$2.6b	291%	↑
Surplus	\$2.4b	\$1.2b	101%	↑

### INTRODUCTION

Honourable Minister of Public Service, Labour and Social Welfare, July Moyo Board of Governors, management and our stakeholders, in line with our values of Professionalism, Integrity, Teamwork, Accountability and Transparency, it is my pleasure to present to you the ZIPAM Annual report and the audited financial results for the year ended 31<sup>st</sup> December 2023.

### OPERATING ENVIRONMENT

A Gross Domestic Product (GDP) growth of 5.3% (IMF source) was achieved in Zimbabwe during the year under review mainly driven by the agricultural and mining sectors. This was despite the macroeconomic environment being characterised by currency instability, high inflation, high interest rates and increased power outages. There was however an improvement in power generation capacity during the second half of the year.

Measures also introduced by government to stabilise currency fluctuations, resulted in relatively stable foreign exchange rates and this is expected to continue in the ensuing year.

## **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 2023. Historical financial statements have been presented as supplementary information.

### **Total Revenue**

In inflation adjusted terms, total revenue increased by 232% to ZWL\$12.5 billion whilst in historic cost terms, revenue increased by 853% to ZWL\$7.5 billion. The main contributors being the Training mandate which feeds into accommodation and conferencing services revenues.

### **Total Expenditure**

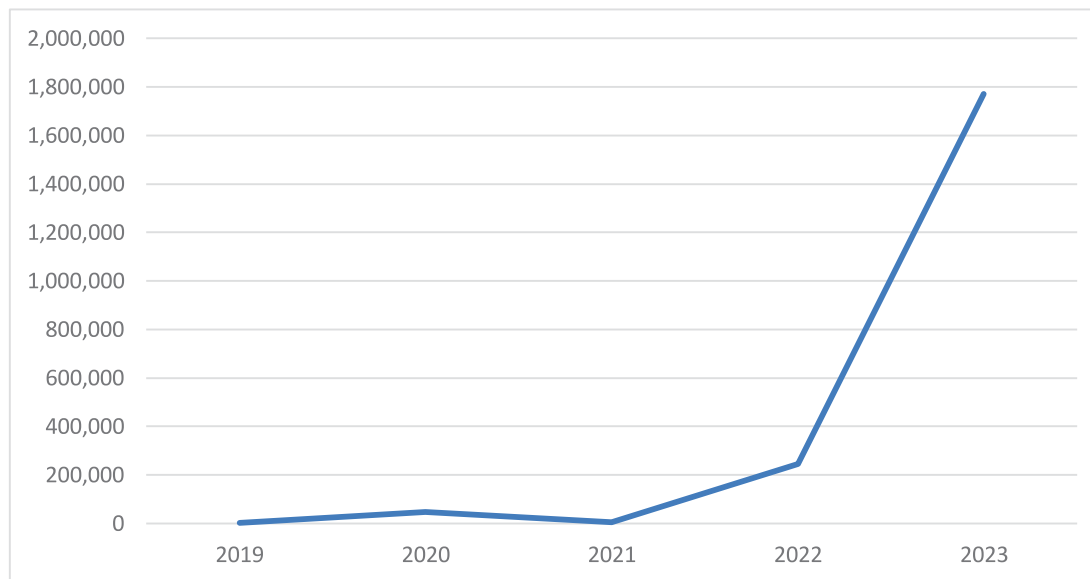
Total expenditure increased by 291% up from ZWL\$2.6 billion in 2022 to ZWL\$10.2 billion in 2023 (restated). Improved operational efficiencies and continued cost containment measures minimised the negative impact of price fluctuations due to constant exchange rate movements.

### **Financial Sustainability**

ZIPAM closed the year 2023 with a surplus of ZWL\$1.8 billion up from ZWL\$245.9 million recorded in 2022 (historical figures), reflecting a 620% growth trajectory. Below is a five-year performance trend.

## Five Year Performance Trend from 2019 -2023

Historical figures (ZWL\$ 000)



**Fig 1: Surplus /(Deficit) per year**

## CAPITALISATION

Re-Capitalisation of ZIPAM continued during the year under review. The following capital projects were carried out;

- Renovation of 31 hotel rooms;
- Purchase of restaurant furniture;
- Purchase of office furniture;
- Upgrade of the Board room;
- Establishment of an indoor sporting facility with (table tennis, soccer tables and pool tables);
- Digitalisation of communication systems through installation of a digitalised PABX telephone system and
- Establishment of a proto-type executive room and a proto-type standard room to be used in the modernisation of the hotel rooms in the ensuing year.

The above projects were financed by the Government grant allocated through the line ministry and internal resources. ZIPAM remains grateful for the financial support towards the refurbishment and modernisation of the infrastructure. Below is the 2023 capital outlay towards infrastructure development and retooling exercise.

refurbishment and modernisation of the infrastructure. Below is the 2023 capital outlay towards infrastructure development and retooling exercise.

<b>Description</b>	<b>Inflation Adjusted (ZWL \$)</b>	<b>Historical Cost (ZWL \$)</b>
Furniture, Fittings & Equipment	164 836 615	109 948 611
Infrastructure renovations	75 531 490	21 498 731
ICT Equipment	42 119 154	16 648 862
Motor Vehicle	16 836 615	4 173 913
<b>Total</b>	<b>299 048 650</b>	<b>149 270 117</b>

## **MARKETING**

The Institute has strengthened its Organogram with the engagement of Business Development Managers as it positions itself as the Apex Training Centre to drive the human capital development both in Public and Private sector in line with NDS1 and in collaboration with the Public Service Academy.

## **SUSTAINABILITY**

The Institute is committed to carrying out Human Capital Development activities in a clean and friendly environment. Sustainable practices adopted during the year 2023 included, Presidential monthly clean up campaigns and Health awareness campaigns for ZIPAM staff and the community at large to minimise the impact of any potential national health pandemic.

## **LOOKING AHEAD**

The economy is projected to grow by 3.5% in 2024, weaker than the 5.5% registered in 2023 anchoring on price stabilisation, infrastructural development, and increased mining activities notwithstanding the effects of the El Nino-induced drought being experienced in the country and the continued fall in the price of minerals on the global market.

We appreciate the continuing efforts by Government and the Monetary Authorities in stabilising the exchange rates and controlling inflation especially the introduction of the new currency, Zimbabwe Gold (ZiG).

ZIPAM will continue to explore new opportunities in line with the Human Capacity Development and Innovation mandate to sustain the growth trajectory, with focus being on seeking collaborative and international partners as we endeavour to bring diversity and international flavour to our training business.

## **APPRECIATION**

I would like to extend my sincere appreciation to our shareholder and valued stakeholders with special mention to the line ministry, the Ministry of Public Service, Labour and Social Welfare and the Public Service Commission (PSC) for their continued and unwavering support.

My sincere gratitude also goes to management and staff for their resilience and commitment towards providing excellent customer service and the good performance in a challenging environment.

Lastly, I would like to express my sincere gratitude to my fellow Board members for their continuous and relentless guidance as we remain focused on the growth trajectory.

Thank you



N.M. Matimba  
**BOARD CHAIRMAN**

## DIRECTOR GENERAL'S REVIEW



Dr Edgar S. Makande

### 1.0 OVERVIEW

The Institute posted favourable performance results for the year under review. In the face of challenging inflationary pressures, the Institute's revenue grew by 232% to ZWL\$12.5 billion in 2023, from ZWL\$3.8 billion that was reported in 2022. This notable achievement which is also reflected in the four previous consecutive years confirms the sustainability of the mandate business.

This performance was driven mainly by a steady flow of clients sponsored by the Public Service Commission comprising of Deputy Directors, Directors and Chief Directors or equivalent grades from the Civil Service for human capacity development programmes. These results and trends positions ZIPAM to grow in the provision of services in harmony with its wider mandate of human capacity development and innovation in the National Development Strategy 1 (NDS1).

During the year 931 Public Service Commission sponsored participants attended training courses, representing 98% of the four-year average. These were mainly Deputy Directors, Directors and Chief Directors or equivalent grades from the Civil Service. Hotel occupancy averaged 46% which is 5% above 4-year average. 3079 guests were accommodated in the hotel during the year under review.

### 2.0 ENVIRONMENTAL ANALYSIS

The Institute continued to use its strengths to consolidate the business, upgrade its weaknesses and take opportunities as they came. The key source markets comprising the civil service, parastatals and local authorities were analysed during the year under review and incorporated in the new 2024-2028 ZIPAM Strategic Plan.



**Fig 3: Standard prototype hotel room**



**Fig 4: Outside catering**





**Fig 5: Training Auditorium**



**Fig 6: The Hon. Minister for Presidential Affairs in the Office of The President and Cabinet, Cde Lovemore Matuke flanked by ZIPAM Director General Dr. E S Makande and The Permanent Secretary for Presidential Affairs in the Office of The President and Cabinet Eng. T. Muguti**



**Fig 7: Provincial Secretaries, Directors and Deputy Directors attending a workshop on Devolution at ZIPAM**

### **3.0 PERFORMANCE CONTRACTS AND PERFORMANCE REVIEWS**

The Institute attended and participated in the second global performance contracts signing ceremony which was officiated by His Excellence, The President Dr. E.D. Mnangagwa in February 2023. At this ceremony the respective 2023 performance contracts for the Chairman and Director General were signed.

Quarterly performance assessments at Board and Director General Levels were carried out in 2023 by the Consulting Organisation that was appointed by the Office of the President and Cabinet to carry out the assignment for State Enterprises and Parastatals. ZIPAM 2023 targets were by and large met.

The ZIPAM hotel made significant strides to improve on accommodation, conferencing and restaurant facilities to attain competitive levels within its industry.

### **4.0 FINANCIAL PERFORMANCE**

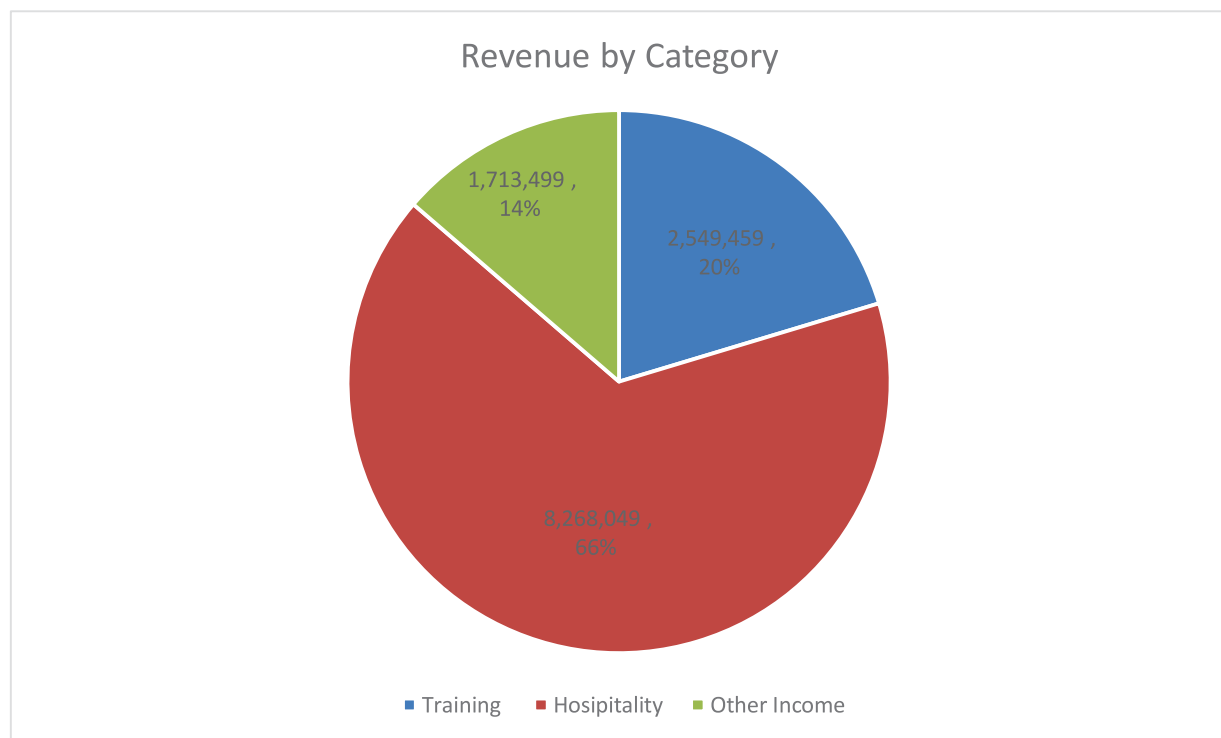
The Institute implemented a pricing regime for its services and products that ensured its viability as well as ensuring that quality of service was not compromised during the year under review. The economic environment continued to be inflationary and some client packages had to be customised to maintain affordability in harmony with their respective depressed finances.

Due diligence initiatives on product pricing was adopted by the Institute throughout the year under review in responds to the fiscal authority requirement to avoid overpricing by suppliers of services and products.

## REVENUE

Marketing efforts were intensified across all advertising platforms to widen the client base and increase the revenue streams within the Institute’s mandate

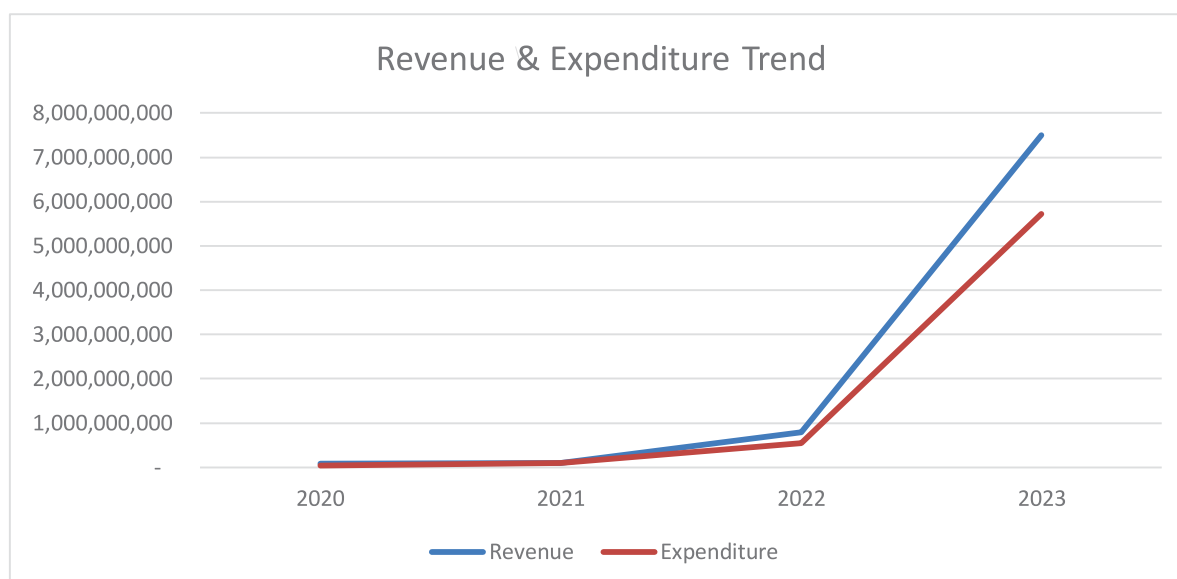
The Institute recorded a total revenue of ZWL12.5 billion which is a 232% increase from prior year’s total revenue of ZWL\$3.8 billion. The hospitality business contributed 66% (ZWL\$8.3 billion), training business contributed 20% (ZWL\$2.5 billion) and other Income contributed 14% (1.7 billion) as shown on the chart below.



**Fig 8: Revenue by Category (ZWL restated)**

## EXPENDITURE

Total expenditure for the year was ZWL10.2 billion recording an increase of 291% from ZWL\$2.9 billion in 2022. Cost containment measures put in place were continuously reviewed in line with the business strategy on financial sustainability. An operating surplus of ZWL\$2.4 billion was recorded for the year, showing an increase of 101% from an operating surplus of ZWL\$1.2 billion in 2022.



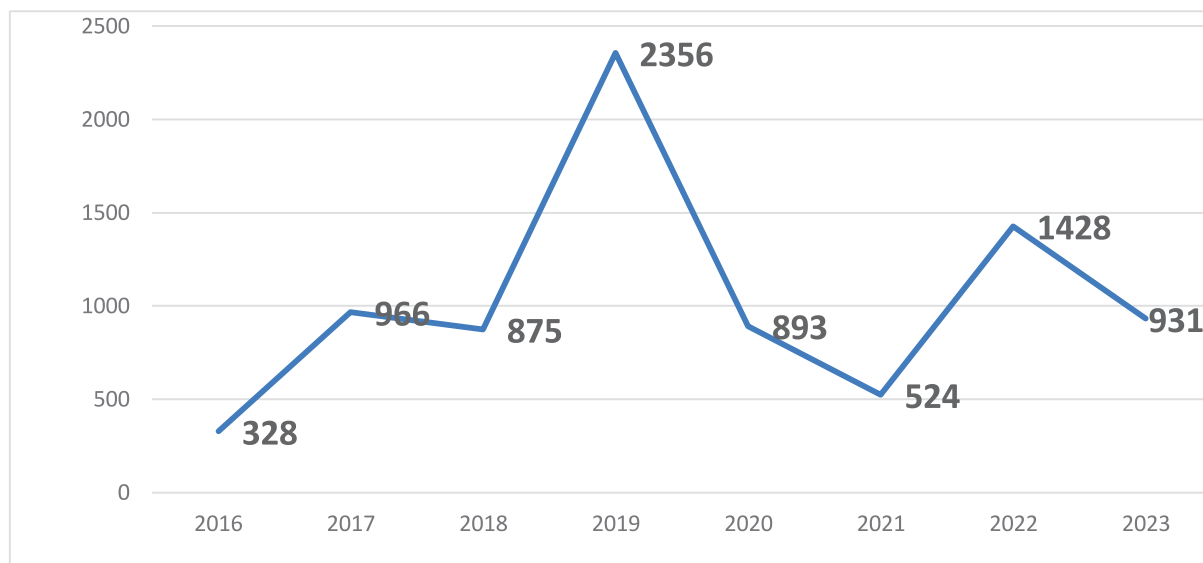
**Fig 9: Revenue & Expenditure Trend for the period 2020-2023 (historical)**

## 5.0 OPERATIONS

A total of 931 Deputy Directors, Directors and Chief Directors from the Civil Service attended training workshop at the Institute in 2023.

A pool of training resource experts was created in line with the new programmes rolled out during the year. Some of the courses that were conducted in 2023 include:

- Public Service Reorientation and Culture Change
- Monitoring and Evaluation
- Local Economic Development
- Leadership Skills Development
- Pre-Retirement Planning
- Managerial Skills Development
- Economic Devolution
- Team Building
- Supervision and Client Relationship Management
- IRBM Compliant Strategic Planning
- Entrepreneurship Development
- Customised pre- retirement programs and Youth training programs.
- Gender Mainstreaming, Inclusivity and Wellness



**Fig 10: Annual profile of volumes of public sector trainees (numbers)**

## 6.0 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 Course curriculum is prepared in consultation with Public Service Commission and various interested parties for the specific courses.



**Fig 11: Training Session Directors in Government Service**

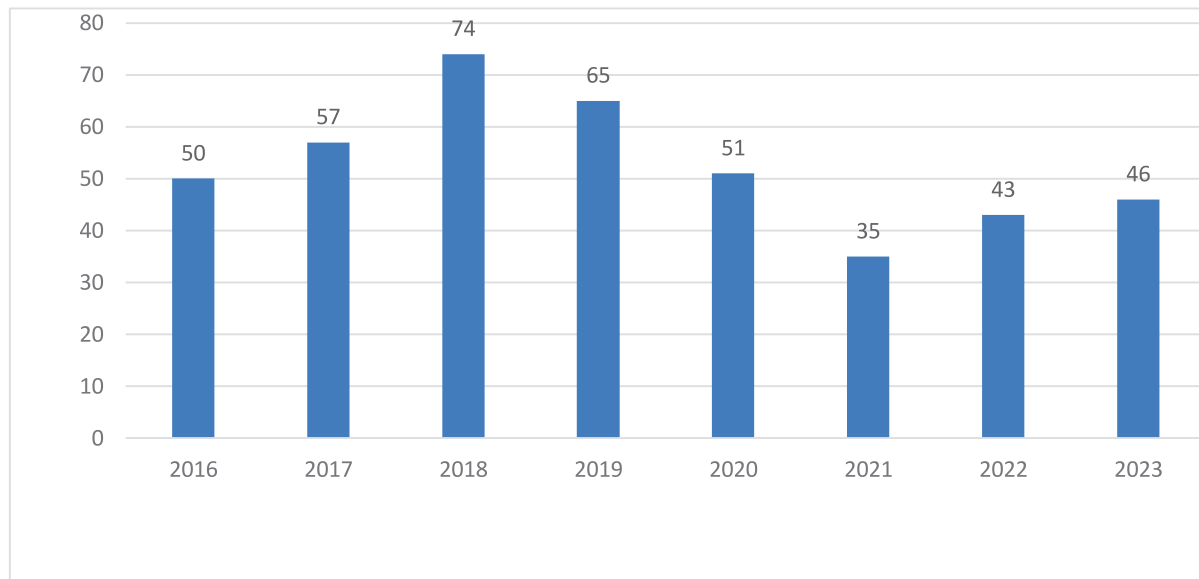


**Fig 12: Team from the Public Service Commission and ZIPAM responsible for coordinating PSC sponsored training programs.**

## **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 in 2023 was an average 55 students for each semester.

## HOSPITALITY



**Fig 13: Annual profile hotel occupancy (%)**

Occupancy was relatively low due to the 30 % of the accommodation rooms which were not suitable for accommodation for most of the year needing substantial refurbishment and modernisation which was scheduled for 2024.



**Fig 14: Musician Sarungano performing at ZIPAM**

## 7.0 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.



**Fig 15: ZIPAM Gym**

## 8.0 HUMAN RESOURCES

The inaugural external employee satisfaction survey at the Institute for 2023 was illuminating. Although the findings were within industry standards major improvements were expected in areas of communication and staff training.

Thirteen (13) on the job training programs were rolled out in 2023. Staff retention was satisfactory at 98%. However, three key positions remained vacant during the year being those of Deputy Director General, Business Development Manager and Research Consultant.

In the same vein, the Institute hired an Operations Officer (hotel division) and a Maintenance Officer to improve on service delivery in harmony with the ZIPAM mantra of continuous improvement.



**Table 1: HUMAN RESOURCES STRENGTH AS AT 31 DECEMBER 2023**

<b>CATEGORY</b>	<b>STRENGTH 2023</b>	<b>ESTABLISHMENT 2023</b>	<b>MOVEMENT</b>
Directorate	1	2	-1
Senior Management	2	4	-2
Management	7	7	0
Supervisory	5	5	0
General	46	49	-3
Students	9	20	-11
<b>TOTAL</b>	<b>70</b>	<b>87</b>	<b>-17</b>

## **9.0 OUTLOOK**

The training activity from the mandate business during the year under review was commendable and signified a major shift towards reforms oriented training that is aligned to NDS1 pillar of Human Capacity Development and Innovation.

The recruitment of key staff in the training domain will accelerate the rolling out of capacitation into other market segments (parastatals and local authorities).

The Institution now needs serious and extensive physical expansion and organisational capacitation in order to meet the surging demand from both the Public Sector in particular and the Private Sector to an extent. This need is in the form of Infrastructural development in the areas of Accommodation, Auditoriums, ICT learning platforms and recreational facilities.

## **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 patronage during the period under review.



.....  
Dr Edgar S. Makande  
**Director General**

## **CORPORATE GOVERNANCE REPORT**

ZIPAM is committed to good corporate governance. The Board reviewed the Board Charter and the Code of Ethics during the year to ensure that the Institute remains alive to the emerging risks. The Institute is generally compliant with statutory requirements. The Board held its statutory meeting with the new line Minister honourable July Moyo in November 2023 for guidance to ensure that the oversight role remains aligned to the mandate.

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**

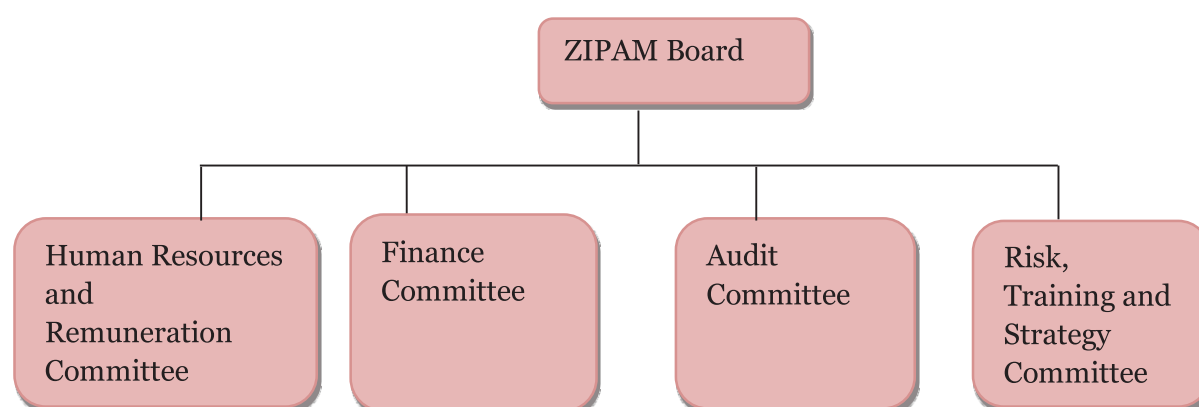
ZIPAM Board is constituted of eight non-executive members and the Director General, as an ex-officio member. The Chairperson is a non-executive member. Collectively, the Governors possess a wide range of skills, knowledge and experience, that brings independent judgment to Board deliberations and decisions. There are four committees namely, Finance committee, 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 provide guidance and oversight as well as protecting and enhancing 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 issues 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 four 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.

## BOARD AND COMMITTEE MEETINGS ATTENDANCE IN 2023

Name	Human Resources and Remuneration	Finance	Audit	Risk Training and Strategy	Main Board
<b>Meetings Held (2023)</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Mr N Matimba	n/a	n/a	n/a	n/a	5
Professor C Nherera	n/a	n/a	5	5	5
Mr F Mpofu	6	n/a	5	n/a	5
Mrs A Manyanya	n/a	5	n/a	n/a	3
Mrs. C. Chigwamba	6	4	n/a	4	3
Mr. L. Ngorima	5	n/a	n/a	n/a	2
Dr Edgar S.Makande	6	5	5	5	5

### INTERNAL CONTROL

The Board of Governors is responsible for the Institute internal control systems focusing mainly on reducing the risk of error, loss or failure in achieving corporate objectives in a cost-effective manner. These systems are also intended to provide reasonable assurance on the integrity and reliability of the financial statements and to 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 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. 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.

**SB21**



**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, 2023**

**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, 2023, 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, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Institute of Public Administration and Management as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis of 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 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my clean opinion.

### **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 Zimbabwe Institute of Public Administration and Management for the year ended December 31, 2023. These matters were addressed in the context of my audit of the Institute’s financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters to be communicated in my report.

<b>Key Audit Matter</b>	<b>How my audit addressed the Key Audit Matter</b>
<p><b>Revenue recognition. Refer to note 14 and 15 of the financial statements.</b></p> <p>The Institute reported revenue amounting to ZWL\$12.5 billion for the year ended</p>	<p>My audit procedures to address the risk of material misstatement relating to revenue recognition included:</p> <ul style="list-style-type: none"> <li>• Verifying the accuracy of the Institute’s revenue recognition process on packaged</li> </ul>

<p>December 31, 2023. The Institute's revenue is mainly from training, consultancy and hotel services which include accommodation, food and beverages and training venues. Training and consultancy includes various programs which have different transaction prices based on various factors and pricing models.</p> <p>The Institute may have multiple arrangements where training revenue, accommodation and meals may be invoiced together as a package which the Institute should recognise revenue through unbundling of the service.</p> <p>Therefore, revenue recognition was regarded as a complex area. The level of complexity and the presumed risk of fraud in revenue recognition were considered to be of most significance to the audit.</p> <p>As a result, revenue recognition was considered to be a Key Audit Matter.</p>	<p>services and evaluating the accounting policy for allocating the transaction price to each service.</p> <ul style="list-style-type: none"> <li>• Evaluating the revenue transactions, contracts with customers and supporting documents for services rendered to confirm whether revenue was recognised when the Institute satisfied the performance obligation.</li> <li>• Evaluating the effectiveness of the Institute's internal controls over the approval of contract modifications to bookings including the accuracy and completeness of revenue recognised.</li> <li>• Reconciling revenue recorded in the Institute's financial statements to underlying sales invoices, receipts and general ledger accounts to confirm accuracy of revenue recorded.</li> <li>• Evaluating whether all revenue was recorded and recognised in the correct accounting period.</li> </ul> <p>Based on the evidence gathered, I concluded that revenue was appropriately recognised.</p>
<p><b>Valuation of Property plant and equipment. Refer to Note 3.3 and 4 of financial statements</b></p> <p>The Institute recognised property, plant and equipment with a revalued amount of ZWL\$92.9 billion as at December 31, 2023.</p> <p>The valuation of Property, plant and equipment was dependent on the valuation methodology adopted by the property valuer which involved significant judgement and assumptions in determining the fair value of the assets.</p> <p>Management apply judgement and estimates in reviewing useful life and residual value with reference to forecast and relevant technical factors. This involves</p>	<p>My audit procedures to address the risk of material misstatement relating to property, plant and equipment valuation included:</p> <ul style="list-style-type: none"> <li>• Evaluating the professional competence of the property valuation expert including consideration of quality and magnitude of previous work performed, years of experience and reputation.</li> <li>• Evaluated the methodology and assumptions used by the external valuer in the valuation of property, plant and equipment against the requirements of IFRS 13 – “Fair Value Measurement”.</li> <li>• Evaluated management's estimates regarding determination of useful lives and residual values of the assets in relation to the Institute's historical experience,</li> </ul>

<p>significant degree of management judgement and assumptions.</p> <p>As a result, valuation of property, plant and equipment was considered to be a key audit matter.</p>	<p>industry practice and future operating plans.</p> <ul style="list-style-type: none"> <li>Reviewed the financial statements disclosures against the requirements of International Accounting Standard (IAS) 16- “Property, plant and equipment and International Financial Reporting Standard (IFRS)- 13- “Fair value measurement”.</li> </ul> <p>Based on the evidence gathered, I concluded that property, plant and equipment was appropriately recognised</p>
<p><b>Valuation of trade and other receivables. Refer to note 3.7.1.2 and the financial statements.</b></p> <p>The Institute recognised trade and other receivables valued at ZWL\$2.8 billion after adjusting for allowance for credit losses of ZWL\$113.8 million.</p> <p>Estimating allowance for credit losses requires significant management judgment as it incorporates forward looking information and other factors. In addition, the expected credit loss model under International Financial Reporting Standard (IFRS) 9 – “Financial Instruments” has various complex inputs that are considered when estimating allowance for credit losses.</p> <p>The area was therefore significant to my audit. In that regard I considered it a key audit matter.</p>	<p>My audit procedures to address the risk of misstatement with regard to valuation of trade and other receivables included the following;</p> <ul style="list-style-type: none"> <li>Reviewing the method applied in calculating the allowance for credit loss and confirming whether it complied with IFRS 9 requirements.</li> <li>Assessing the reasonableness of the assumptions and parameters applied by the Institute in calculating allowance for credit loss.</li> <li>Reviewing the adequacy of the disclosures of trade and other receivables based on IFRS 9 requirements.</li> </ul> <p>Based on the procedures above, I consider management’s valuation of trade receivables to be appropriate.</p>

### Other Information

Management is responsible for the Other Information. The Other Information comprises all the information in the Institute’s 2023 annual report other than the financial statements and my auditor’s report thereon (“the Other Information”).

My opinion on the Institute’s financial statements does not cover the Other Information and I do not express any form of assurance 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. If, based on the work I have performed, 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 Statements**

The Institute's management is 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 Act [*Chapter 25:17*] and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 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 (ISAs), I exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. I 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 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.
- 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 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 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.

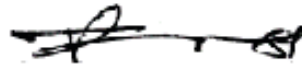
From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes 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 Act [*Chapter 25:17*], the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

02 September , 2024.



**R. KUJINGA,  
ACTING AUDITOR – GENERAL.**



**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER  
2023**



ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF FINANCIAL POSITION

as at December 31, 2023

	Note	Inflation Adjusted		Historical Cost	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
<b>Non-current assets</b>		<b>92 960 583 455</b>	<b>34 446 408 430</b>	<b>92 960 583 455</b>	<b>7 174 989 779</b>
Property and equipment	4	92 943 583 455	34 439 961 335	92 943 583 455	7 173 646 886
Intangible assets	5	17 000 000	6 447 095	17 000 000	1 342 893
<b>Current assets</b>		<b>3 292 093 404</b>	<b>2 298 376 678</b>	<b>3 193 047 744</b>	<b>474 555 413</b>
Inventories	6	233 010 016	78 031 558	136 312 938	16 253 527
Trade and other receivables	7	2 765 715 922	673 625 835	2 765 715 922	136 129 109
Prepayments		102 462 601	341 510 413	100 114 019	71 134 665
Cash and cash equivalents	8	190 904 865	1 205 208 872	190 904 865	251 038 112
<b>Total assets</b>		<b>96 252 676 859</b>	<b>36 744 785 108</b>	<b>96 153 631 199</b>	<b>7 649 545 192</b>
<b>RESERVES AND LIABILITIES</b>					
<b>Reserves</b>		<b>94 977 610 296</b>	<b>35 844 127 450</b>	<b>95 038 239 421</b>	<b>7 461 943 355</b>
Revaluation reserve		92 785 308 006	33 762 687 396	92 837 738 244	7 032 574 601
Accumulated fund		2 192 302 290	2 081 440 054	2 200 501 177	429 368 754
<b>Non current liabilities</b>		<b>457 594 082</b>	<b>415 996 300</b>	<b>300 013 124</b>	<b>86 649 649</b>
Deferred income	9	457 594 082	415 996 300	300 013 124	86 649 649
<b>Current liabilities</b>		<b>817 472 481</b>	<b>484 661 358</b>	<b>815 378 654</b>	<b>100 952 188</b>
Trade and other payables	10	351 796 798	131 596 605	351 796 798	27 410 820
Contract liabilities		265 184 850	186 166 770	264 674 119	38 777 473
Deferred income	9	65 216 580	88 233 787	63 633 484	18 378 593
Leave pay provision	11	135 274 253	78 664 196	135 274 253	16 385 302
<b>Total reserves and liabilities</b>		<b>96 252 676 859</b>	<b>36 744 785 108</b>	<b>96 153 631 199</b>	<b>7 649 545 192</b>

28 August, 2024.

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

28 August, 2024.

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

28 August, 2024.

Matimba N.M.,  
(Board chairman).

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2023

	Note	Inflation Adjusted		Historical Cost	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
<b>Revenue</b>		<b>12 531 006 835</b>	<b>3 774 951 540</b>	<b>7 494 949 890</b>	<b>786 300 806</b>
Training	12	2 549 458 621	540 651 851	1 607 542 805	112 614 687
Hotel revenue	13	8 268 048 981	2 921 043 844	4 904 075 173	608 436 719
Other income	14	1 713 499 233	313 255 845	983 331 912	65 249 400
<b>Less Expenditure</b>		<b>10 152 938 536</b>	<b>2 594 334 176</b>	<b>5 723 817 467</b>	<b>540 384 965</b>
Administration costs	15	3 910 489 520	794 582 420	2 018 314 681	165 506 972
Employment costs	16	4 377 293 360	1 120 677 365	2 683 491 728	233 430 683
Operating costs	17	1 865 155 656	679 074 391	1 022 011 058	141 447 310
<b>Profit for the year</b>		<b>2 378 068 299</b>	<b>1 180 617 364</b>	<b>1 771 132 423</b>	<b>245 915 841</b>
Monetary (Loss)/Gain		(2267 206 063)	20 083 600		-
<b>Net profit/ (loss) for the year</b>		<b>110 862 236</b>	<b>1 200 700 964</b>	<b>1 771 132 423</b>	<b>245 915 841</b>
<b>Other comprehensive income</b>					
Revaluation surplus		59 022 620 610	29 737 170 069	85 805 163 644	6 194 082 374
<b>Total comprehensive income for the year</b>		<b>59 133 482 846</b>	<b>30 937 871 033</b>	<b>87 576 296 067</b>	<b>6 439 998 215</b>

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2023

	Inflation Adjusted		
	Accumulated fund ZWL\$	Revaluation reserve ZWL\$	Total ZWL\$
Opening balance at January 1, 2022	880 739 090	4 025 517 327	4 906 256 417
Revaluation of Intangible assets	-	4 668 078	4 668 078
Revaluation of Tangible assets	-	29 732 501 991	29 732 501 991
Total comprehensive income for the year	1 200 700 964	-	1 200 700 964
<b>Closing balance at December 31, 2022</b>	<b>2 081 440 054</b>	<b>33 762 687 396</b>	<b>35 844 127 450</b>
Opening balance at January 1, 2023	2 081 440 054	33 762 687 396	35 844 127 450
Gain on revaluation of assets	-	59 018 678 989	59 018 678 989
Gain on revaluation of intangible asset	-	3 941 621	3 941 621
Total comprehensive income for the year	110 862 236	-	110 862 236
<b>Closing balance at December 31, 2023</b>	<b>2 192 302 290</b>	<b>92 785 308 006</b>	<b>94 977 610 296</b>

	Historical		
	Accumulated fund ZWL\$	Revaluation reserve ZWL\$	Total ZWL\$
Opening balance at January 1, 2022	183 452 913	838 492 226	1021 945 139
Revaluation of Intangible assets	-	972 334	972,334.00
Revaluation of Tangible assets	-	6 193 110 040	6193 110 040
Total comprehensive income for the year	245 915 841	-	245 915 841
<b>Closing balance at December 31, 2022</b>	<b>429 368 754</b>	<b>7 032 574 600</b>	<b>7 461 943 354</b>
Opening balance at January 1, 2023	429 368 754	7 032 574 600	7 461 943 354
Gain on revaluation of intangible asset	-	10 965 591	10 965 591
Gain on revaluation of tangible assets	-	85 794 198 053	85 794 198 053
Total comprehensive income for the year	1771 132 423	-	1771 132 423
<b>Closing balance at December 31, 2023</b>	<b>2 200 501 177</b>	<b>92 837 738 244</b>	<b>95 038 239 421</b>

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

STATEMENT OF CASHFLOWS

for the year ended December 31, 2023

	Notes	Inflation Adjusted		Historical Cost	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
<b>Cash flows from operating activities</b>		<b>1 085 561 990</b>	<b>701 384 197</b>	<b>(379 171 614)</b>	<b>146 094 315</b>
Operating cashflow before changes in working capital		2 794 364 450	1 336 618 937	1 849 171 341	278 410 076
<b>Net profit for the period</b>		<b>110 862 236</b>	<b>1 200 700 964</b>	<b>1 771 132 423</b>	<b>245 915 841</b>
<i>Adjustments for non cash items:</i>		2 683 502 214	135917 973	78 038 918	32 494 235
Depreciation	4	814 105 519	123 917 331	173 531 601	25 811 271
Government grant amortisation	9	(454 419 425)	(8 794 130)	(214 381 634)	(1 831 767)
Leave pay provision	11	56 610 057	58 847 488	118 888 951	12 257 595
Profit on disposal		-	(17 969 116)	-	(3 742 864)
Monetary loss		2 267 206 063	(20 083 600)	-	-
<b>Working capital changes</b>		<b>(1708 802 460)</b>	<b>(635 234 740)</b>	<b>(2228 342 955)</b>	<b>(132 315 761)</b>
Increase in inventories		(154 978 458)	(68 542 003)	(120 059 411)	(14 276 907)
Increase in trade and other receivables		(2092 090 087)	(512 215 242)	(2629 586 813)	(106 691 504)
Increase in trade and other payables		220 200 193	78 286 493	324 385 978	16 306 629
Decrease/increase in prepayments		318 065 892	(132 763 988)	196 917 291	(27 653 979)
<b>Cash flows from investing activities</b>		<b>(305 659 934)</b>	<b>(66 223 005)</b>	<b>(153 961 633)</b>	<b>(13 793 873)</b>
Purchase of property and equipment	4	(299 048 650)	(85 910 632)	(149 270 117)	(17 894 693)
Disposal of property and equipment		-	19 687 627	-	4 100 820
Purchase of intangible assets	5	(6 611 284)	-	(4 691 516)	-
<b>Cash flows from financing activities</b>		<b>473 000 000</b>	<b>480 090 000</b>	<b>473 000 000</b>	<b>100 000 000</b>
Government grant		473 000 000	480 090 000	473 000 000	100 000 000
<b>Net increase(decrease) in cash and cash equivalents</b>		<b>1 252 902 056</b>	<b>1 115 251 192</b>	<b>(60 133 247)</b>	<b>232 300 442</b>
<b>Effects of inflation on cash and cash equivalents</b>		(2267 206 063)	-	-	-
Cash and cash equivalents at beginning of the year		1 205 208 872	89 957 680	251 038 112	18 737 670
<b>Cash and cash equivalents at end of the year</b>	8	<b>190 904 865</b>	<b>1 205 208 872</b>	<b>190 904 865</b>	<b>251 038 112</b>



# ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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### 1. 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 also the private sector.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The financial statements for the year ended December 31, 2023, 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).

#### 2.2 Basis of measurement

The financial statements have been prepared based on the statutory records that are maintained under the historical cost basis. These financial statements have been adjusted for hyperinflation in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". Comparative figures for prior reporting period have been restated into the same measuring unit. The inflation adjusted figures form the primary set of financial statements and the historical figures are presented as supplementary information.

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 2023 Financial Statements. As such, all the elements of the financial statements have been restated in line with IAS 29. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures be stated in terms of the same measuring unit.

Accordingly, these financial statements have been adjusted, to take account of the changes in the general purchasing power of the Zimbabwe dollar and, as a result, are stated in terms of the measuring unit current at the balance sheet date. The

adjustments are based on conversion factors derived from the Zimbabwe Consumer Price Index (CPI) compiled by the Zimbabwe Central Statistical Office and published on the Reserve Bank of Zimbabwe's website. The indices and conversion factors applied are disclosed by way of a note.

The main procedures applied in the adjustments of transactions and balances are as follows:

- Monetary assets and liabilities as at the end of the current year being reported on are not adjusted because they are already stated in terms of the measuring unit current at balance sheet date;
- Non-monetary assets and liabilities, and components of shareholders' equity/funds, are adjusted by applying the change in the index from the date/month of the transaction or, if applicable, from the date of their most recent revaluation to the balance sheet date;
- Equipment and intangible assets are adjusted by applying the change in the index from the date of transaction, or if applicable, from the date of their most recent/last revaluation, to the balance sheet date. Depreciation and amortisation amounts are based on the adjusted amounts;
- Statement of comprehensive income items/transactions, except depreciation and amortisation charges as explained above, are adjusted by applying the monthly price indices for the respective months when the income and/or expenses were incurred;
- For comparative Statement of comprehensive income items/transactions, an average index during the period to the balance sheet date was applied;
- Gains and losses arising from the net monetary asset or liability positions are included in the profit and loss statement; and
- All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date.

### **2.2.1 Sources of Consumer Price Indices**

The Institute adopted the Consumer Price index (CPI) as the general price index to restate transactions and balances. The Institute used available information on ZIMSTAT website for the purposes of deriving inflation adjusted values. In a move by the Government to address inflation, Zimbabwe adopted blended inflation as its official inflation statistics through Statutory Instrument (SI) 27 of 2023. Following the announcement by the Government, ZIMSTAT has not been publishing ZWL consumer price indices and the Institute estimated the missing CPI statistics by adjusting the December 2023 CPI with the monthly movement of the Total Consumption Poverty Line. The adoption of the blended CPI statistics is not appropriate for financial reporting as financial statements were prepared in ZWL dollars which is the base currency. Zimbabwe adopted blended inflation as its official inflation statistic through Statutory Instrument (SI) 27 of 2023. Following the announcement, ZIMSTAT has not been publishing ZWL consumer price indices from February 2023 in Zimbabwean dollars, which is the base currency. IAS 29 par 17 permits the use of an estimate-based price index in circumstances where the rate is not available. In the absence of the official ZWL CPI indexes, the Institute opted to use the Total Consumption Poverty Line to estimate the missing CPIs.

The following indices were used to prepare the financial statements:

Dates	Indices	Adjusting factor
CPI as at December 2022	13,819.70	4.8009
CPI as at December 2023	66,347.29	1.0000

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 December 31, 2022 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.

### **2.3 Functional and presentation currency**

These financial statements are presented in the RTGS Dollar (ZWL\$) that is the reporting currency. All the financial information presented has been rounded to the nearest dollar. Foreign currency transaction converted to Zimbabwe dollars as at transaction date, using the applicable interbank rate.

### **2.4 Critical accounting judgments, assumptions and estimates**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors, including making assumptions concerning future events that are believed to be reasonable under the circumstances. Actual results may differ from these accounting estimates. The estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are accounted for prospectively. In the process of applying the accounting policies as set out below, management has made the following judgements that have a significant risk of causing material adjustment to the amounts recognised in the financial statements:

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

The useful lives and residual values of property, plant and equipment are reviewed at each year-end. The useful lives, which are estimated by management, are based on historic analysis and other available information. The residual values are estimated based on useful lives as well as other available information.

#### **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 Allowance for credit losses**

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 Going Concern**

The Institute is satisfied that it is operating on a going concern basis given the sound financial position and has adequate resources to continue in operational existence for the foreseeable future. This is necessitated by the assurance of government support. The Institute had a historic surplus of \$1 771 132 423 in 2023 (\$245 915 841 in 2022).

#### **2.5 Taxation**

The Institute is exempted from tax in terms of Income Tax Act [Chapter 23.06].

#### **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 December 31, 2023.

### **2.7 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS**

#### **2.7.1 New and revised International Financial Reporting Standards adopted during the current year**

##### **2.7.1.1 Amendment to International Accounting Standard (IAS) 1- "Presentation of financial statements" - Disclosure of Accounting Policies**

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendment of this standard is effective for annual periods beginning on or after January 1, 2023.

##### **2.7.1.2 Amendment to International Accounting Standard (IAS) 8- "Accounting Policies, Change in Accounting Estimate and Errors"- Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "Monetary amounts in the financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The amendment was issued on February 12, 2021 and is effective in annual reporting periods beginning on or after January 1, 2023.

## **2.7.2 New and revised International Financial Reporting Standards issue but not yet effective**

### **2.7.2.1 Amendments to Amendment to International Accounting Standard (IAS) 1- “Presentation of financial statements”**

On October 31, 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The amendments are effective for reporting periods beginning on or after January 1, 2024.

### **2.7.2.2 International Accounting Standard (IAS) 21- “Effects of Changes in Foreign Exchange Rates.**

On August 15, 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments are effective for reporting periods beginning on or after January 1, 2025.

## **3 ACCOUNTING POLICIES**

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements from preceding years.

### **3.1 Foreign currency**

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.

### **3.2 Revenue recognition**

The Institute recognise revenue when it satisfies a performance obligation by transferring a promised service to a customer. The Institute has identified and aligned the revenue streams from the following areas of its operations to the requirements of IFRS 15 and as such the Institute is continuously and closely assessing the timing and contractual obligations arising out of transactions. Revenue for the Institute comprises hotel revenue, training revenue and other income.

### **Hotel revenue**

Revenue from hotel services is recognised when the Institute satisfies a performance obligation by transferring the promised service to the customer. The Institute identifies contract with customers. The contract can be written or verbal but should be agreed on thereby creating rights and obligation between parties. Performance obligation for each party is identified and a transaction price determined. Hotel revenue is thus only recognised when each performance obligation within the contract with customers is satisfied. Revenue from hotel comprises the invoiced value of sale in respect of meals, accommodation and conference facilities.

### **Training revenue**

Revenue from training services is recognised when the Institute has satisfied a performance obligation of training the customers. The contract can be written or verbal and should be agreed on by both parties. Performance obligation for each party is identified and a transaction price determined. Training revenue is thus only recognised when each performance obligation within the contract is satisfied. Revenue from training comprises the invoiced value in respect of training courses.

### **Other Income**

Other income comprises of other revenue streams apart from hotel revenue and training services offered by the Institute. It is also recognised when the Institute satisfies a performance obligation to the customer.

## **3.3 Property, plant and equipment**

### **3.3.1 Initial recognition and Subsequent measurement**

Items of property, plant and equipment are initially measured at cost. Property, plant and equipment is subsequently measured using revaluation model to the entire class of property, plant and equipment. Items of property, plant and equipment were revalued during the year and the revaluation gain was recognized in the statement of comprehensive income under other comprehensive income.

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.

### 3.3.2 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.

The annual rates used for depreciation are as follows:

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

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

### 3.4 Intangible Assets

Software licenses and website are the intangible assets that are owned by the Institute. These are software resources acquired for use by the Institute that have no physical form. Items of intangible assets are initially measured at cost. They are subsequently measured using revaluation model. Intangible assets are revalued at the end of each year and have indefinite useful life.

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 assessed its intangible assets to determine whether there were events or circumstances to continue with an indefinite useful life. It was established that intangible assets have an indefinite useful life and should not be amortised.

### 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 & 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 Financial assets**

#### **Classification**

The Institute classified all its financial assets based on business model of managing the assets. The Institute's financial assets are measured at amortised since the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The items measured at amortised cost are trade receivables and cash and cash equivalents.

These assets are subsequently measured at amortised cost using the effective the effective interest method. The amortised cost is reduced by impairment losses. Lease income, foreign gains and losses and impairment are recognised in the profit or loss.

#### **3.7.1.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and all deposits (funds on placement) with maturities of three months or less from acquisition date that are subject to insignificant risk of changes in fair value, and are used by the Institute in the management of its short-term commitments.

#### **3.7.1.2 Trade and other receivables**

Trade and other receivables are measured at their cost less impairment losses. An allowance of credit losses is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the trade receivables are impaired. When a trade receivable is uncollectable, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited against the trade receivables impairment provision in profit or loss.

### **3.7.2 Impairment of financial assets**

#### **3.7.2.1 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.

### **3.7.2.2 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 of 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.

### **3.7.3 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.

### **3.7.4 De-recognition of financial assets**

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

### **3.7.5 Financial liabilities**

#### **3.7.5.1 Liabilities and provisions**

Provisions are recognised when the Institute has a present legal or constructive obligation as a result of past events and a reliable estimate to the amount of such obligation can be made. Obligations payable at the demand of the creditor or within one year of the reporting date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the reporting date are treated as non-current liabilities in the statement of financial position.

#### **3.7.6 De-recognition of financial liabilities.**

A financial liability is de-recognized 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 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 recognized in profit or loss.

### **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**

This is a contract by which the Institute conveyed a piece land to Net One for base station in return for a periodic payment. This lease is classified as an operating lease since the rental income was considered to be of low value. The underlying asset subject to operating lease is not impaired and therefore no any impairment loss is recognised. No depreciation is recognised as cost for the underlying asset is deemed not to be depreciable.

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

4. Property, plant and equipment

Inflation Adjusted	Land	Buildings	Motor Vehicles	Furniture, Fittings & Equipment	Computers	Infrastructure	Total 2023	Total 2022
ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
<b>Opening carrying amount</b>	<b>10 315 353 542</b>	<b>18 583 277 137</b>	<b>619 404 744</b>	<b>644 083 717</b>	<b>133 718 085</b>	<b>4 144 124 110</b>	<b>34 439 961 335</b>	<b>4 719 253 643</b>
Gross carrying amount	10 315 353 542	18 583 277 137	619 404 744	644 083 717	133 718 085	4 144 124 110	34 439 961 335	4 719 253 643
Accumulated depreciation	-	-	-	-	-	-	-	-
Additions	-	75 531 490	16 561 391	164 836 615	42 119 154	-	299 048 650	113 841 538
Disposals	-	-	-	-	-	-	-	(2 021 774)
Accumulated depreciation on disposals	-	(465 840 787)	(126 089 134)	(71 280 672)	(47 291 823)	(103 603 103)	(814 105 519)	(123 917 331)
Depreciation charge for the year	-	38 288 701 268	1 434 743 399	1 554 881 637	527 152 234	1 608 553 993	59 018 678 989	29 732 501 991
Revaluation Surplus	15 604 646 458	-	-	-	-	-	-	-
<b>Closing carrying amount</b>	<b>25 920 000 000</b>	<b>56 481 669 108</b>	<b>1 944 620 400</b>	<b>2 292 521 297</b>	<b>655 697 650</b>	<b>5 649 075 000</b>	<b>92 943 583 455</b>	<b>34 439 961 335</b>
Gross carrying amount	25 920 000 000	56 481 669 108	1 944 620 400	2 292 521 297	655 697 650	5 649 075 000	92 943 583 455	34 439 961 335
Accumulated depreciation	-	-	-	-	-	-	-	-

Historical	Land	Buildings	Motor Vehicles	Furniture, Fittings & Equipment	Computers	Infrastructure	Total 2023	Total 2022
ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
<b>Depreciation Rate</b>								
<b>Opening carrying amount</b>	<b>2 148 629 120</b>	<b>3 870 790 297</b>	<b>129 018 464</b>	<b>134 158 953</b>	<b>27 852 712</b>	<b>863 197 340</b>	<b>7 173 646 886</b>	<b>982 993 531</b>
Gross carrying amount	2 148 629 120	3 870 790 297	129 018 464	134 158 953	27 852 712	863 197 340	7 173 646 886	982 993 531
Accumulated depreciation	-	-	-	-	-	-	-	-
Additions	-	21 498 731	4 173 913	109 948 611	13 648 862	-	149 270 117	23 712 541
Disposals	-	-	-	-	-	-	-	(421 124)
Accumulated Depreciation for disposals	-	(97 128 070)	(26 290 649)	(16 159 153)	(12 373 796)	(21 579 933)	(173 531 601)	63 169
Depreciation charge for the year	-	52 866 508 150	1 837 718 672	2 064 572 886	626 569 872	4 807 457 593	85 794 198 053	6 193 110 040
Revaluation Surplus	23 771 370 880	-	-	-	-	-	-	-
<b>Closing carrying amount</b>	<b>25 920 000 000</b>	<b>56 481 669 108</b>	<b>1 944 620 400</b>	<b>2 292 521 297</b>	<b>655 697 650</b>	<b>5 649 075 000</b>	<b>92 943 583 455</b>	<b>7 173 646 886</b>
Gross carrying amount	25 920 000 000	56 481 669 108	1 944 620 400	2 292 521 297	655 697 650	5 649 075 000	92 943 583 455	7 173 646 886
Accumulated depreciation	-	-	-	-	-	-	-	-

**ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2023

<b>5 Intangible Assets</b>	<b>Website</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>Inflation Adjusted</b>	<b>ZWL\$</b>	<b>ZWL\$</b>	<b>ZWL\$</b>
<b>Opening carrying Amount</b>	<b>6 447 095</b>	<b>6 447 095</b>	<b>1 779 017</b>
Gross carrying amount	6 447 095	6 447 095	1 779 017
Addition	6 611 284	6 611 284	-
Revaluation	3 941 621	3 941 621	4 668 078
<b>Closing carrying Amount</b>	<b>17 000 000</b>	<b>17 000 000</b>	<b>6 447 095</b>
Gross carrying amount	17 000 000	17 000 000	6 447 095

**Historical Cost**

	<b>Website</b>	<b>Total 2023</b>	<b>Total 2022</b>
		<b>ZWL\$</b>	<b>ZWL\$</b>
<b>Opening carrying Amount</b>	<b>1 342 893</b>	<b>-</b>	<b>370 559</b>
Gross carrying amount	1 342 893	1 342 893	370 559
Addition	4 691 516	4 691 516	-
Revaluation	10 965 591	10 965 591	972 334
<b>Closing carrying Amount</b>	<b>17 000 000</b>	<b>17 000 000</b>	<b>1 342 893</b>
Gross carrying amount	17 000 000	17 000 000	1 342 893

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

	Inflation Adjusted		Historical Cost		
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$	
<b>6 Inventory</b>	<b>233 010 016</b>	<b>78 031 558</b>	<b>136 312 938</b>	<b>16 253 527</b>	
Hotel stocks	233 010 016	78 031 558	136 312 938	16 253 527	
<b>7 Trade and other receivables</b>	<b>2 765 715 922</b>	<b>673 625 835</b>	<b>2 765 715 922</b>	<b>136 129 109</b>	
Trade receivables	2 879 565 481	680 812 465	2 879 565 481	141 809 341	
Allowances for credit loss	(113 849 559)	(7 186 630)	(113 849 559)	(5 680 232)	
		<b>2023</b>			
<b>7.10 Allowance for credit loss:</b>	<b>Current</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>	<b>Totals</b>
Expected loss rate	1%	3%	5%	8%	<b>ZWL\$</b>
Carrying Amount (ZWL\$)	1 351 867 918	117 396 505	477 534 064	932 766 994	2 879 565 481
Loss allowance	14 804 253	2,934,913	21 489 033	74 621 360	113 849 559
		<b>2022</b>			
	<b>Current</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>	<b>Totals</b>
Expected loss rate	1%	3%	5%	8%	<b>ZWL\$</b>
Carrying Amount (ZWL\$)	59 783 714	5 893 295	25 864 143	50 697 549	142 238 701
Loss allowance	313 209	147 332	1 163 886	4 055 805	5 680 232
<b>8 Cash and cash equivalents</b>	<b>190 904 865</b>	<b>1 205 208 872</b>	<b>190 904 865</b>	<b>251 038 112</b>	
Bank balances	189 834 108	1 204 729 944	189 834 108	250 938 354	
Ecocash	1 070 757	478 928	1 070 757	99 758	
<b>9 Deferred income</b>	<b>522 810 662</b>	<b>504 230 087</b>	<b>363 646 608</b>	<b>105 028 242</b>	
Opening balance	504 230 087	5 003 311	105 028 242	1 042 161	
Additions	473 000 000	508 020 906	473 000 000	105 817 848	
Amortised during the year	(454 419 425)	(8 794 130)	(214 381 634)	(1 831 767)	
Closing balance	522 810 662	504 230 087	363 646 608	105 028 242	
Long term portion	457 594 082	415 996 300	300 013 124	86 649 649	
Short term portion	65 216 580	88 233 787	63 633 484	18 378 593	
<b>10 Trade and other payables</b>	<b>351 796 798</b>	<b>131 596 605</b>	<b>351 796 798</b>	<b>27 410 820</b>	
Trade payables	257 088 509	87 263 621	257 088 509	18 176 513	
Salary arrears	6 752 426	246 401	6 752 426	51 324	
Board fees arrears	-	725 896	-	151 200	
Trade union	355 073	473 892	355 073	98 709	
ZB Life assurance	-	4 321 276	-	900 097	
Pay As You Earn (PAYE)	60 715 244	22 196 942	60 715 244	4 623 496	
National Social Security Authority	7 303 707	7 697 427	7 303 707	1 603 330	
Resource persons	-	81 937	-	17 067	
Unallocated deposits	18 246 345	-	18 246 345	-	
Value Added Tax	-	5 074 921	-	1 057 077	
Withholding tax	1 335 494	3 514 292	1 335 494	732 007	

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

	Inflation Adjusted		Historical Cost	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
<b>11 Leave pay provision</b>	<b>135 274 253</b>	<b>78 664 196</b>	<b>135 274 253</b>	<b>16 385 302</b>
Leave pay provision	135 274 253	78 664 196	135 274 253	16 385 302
<b>12 Training revenue</b>	<b>2 549 458 621</b>	<b>540 651 851</b>	<b>1 607 542 805</b>	<b>112 614 687</b>
Training and consultancy fees	2 549 458 621	540 651 851	1 607 542 805	112 614 687
<b>13 Hotel revenue</b>	<b>8 268 048 981</b>	<b>2 921 043 844</b>	<b>4 904 075 173</b>	<b>608 436 719</b>
Hotel revenue	8 268 048 981	2 921 043 844	4 904 075 173	608 436 719
<b>14 Other income</b>	<b>1 713 499 233</b>	<b>313 255 845</b>	<b>983 331 912</b>	<b>65 249 400</b>
Sundry income	417 278 881	1 344 703	415 676 456	280 094
Amortisation-government grant	454 419 425	8 794 130	214 381 634	1 831 767
Electricity Tokens	8 399 296	2483 088	4 087 120	517 213
Profit on disposal of non-current asset	-	17 969 116	-	3 742 864
Foreign Exchange Gain	810 236 983	275 940 643	335 211 024	57 476 857
Clinic sales	2 649 203	461 573	1 521 833	96 143
Lease income	20 515 445	6 262 592	12 453 845	1 304 462

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

	Inflation Adjusted		Historical Cost	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
<b>15 Administration costs</b>	<b>3 910 489 520</b>	<b>794 582 420</b>	<b>2 018 314 681</b>	<b>165 506 972</b>
Board expenses	30 070 978	13 578 313	17 353 300	2 828 285
Board fees	90 508 326	28 740 108	53 995 154	5 986 400
Cleaning and fumigation	16 036 792	7 813 061	3 554 552	1 627 416
Donations	-	1 213 547	-	252 775
Depreciation	814 105 519	123 917 331	173 531 601	25 811 271
Electricity	249 709 071	47 124 295	163 416 342	9 815 721
Electrical consumables	40 482 830	50 462 418	31 081 940	10 511 033
Fuel and lubricants	717 674 509	71 178 091	347 133 785	14 825 989
Legal expenses	-	12 305	-	2 563
Licences and insurances	86 384 700	18 987 065	54 395 575	3 954 897
Periodicals and subscriptions	28 715 014	10 523 088	13 539 087	2 191 899
Postages and telephones	193 707 510	24 780 157	132 310 923	5 161 565
Printing and stationery	139 793 322	34 086 957	68 735 104	7 100 118
Rates	114 021 071	10 542 200	97 876 888	2 195 880
Repairs and maintenance	635 663 076	126 263 569	321 872 843	26 299 979
Sundry expenses	17 044 836	8 938 287	9 206 000	1 861 794
Travel and subsitence	4 740 000	3 638 789	3 406 387	757 939
Vehicle hire	-	4 003 763	-	833 961
Water	224 559 293	52 115 978	145 403 865	10 855 460
Audit fees	179 268 079	27 152 056	156 037 130	5 655 618
Bank charges	167 395 147	60 716 742	97 535 564	12 646 950
Increase in allowance for credit loss	108 169 327	23 774 028	108 169 327	4 951 994
Tourism levy	51 952 797	45 020 272	19 271 991	9 377 465
Environmental levy	487 323	-	487 323	-
<b>16 Employment costs</b>	<b>4 377 293 360</b>	<b>1 120 677 365</b>	<b>2 683 491 728</b>	<b>233 430 683</b>
Basic salary	748 401 979	265 569 119	450 748 563	55 316 528
Cushioning Allowance	1 807 838 760	292 878 789	1 103 451 410	61 004 976
Increase in Leave pay provision	118 888 951	58 799 522	118 888 951	12 247 604
Other staff costs	1 702 163 670	503 429 935	1 010 402 804	104 861 575

ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

	Inflation Adjusted		Historical Cost	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
<b>17 Operating costs</b>	<b>1 865 155 656</b>	<b>679 074 391</b>	<b>1 022 011 058</b>	<b>141 447 310</b>
Marketing and advertisements	73 808 297	2 738 453	53 006 299	570 404
Hotel cost of sales	1 579 659 698	475 363 005	836 639 318	99 015 394
Cutlery and linen	65 865 460	12 597 408	40 101 419	2 623 968
Other Operating costs	145 822 201	188 375 525	92 264 022	39 237 544

**18 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	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
Lease Income	20 515 445	6 262 592	12 453 845	1 304 462

**19 Related party transactions**

Related party transactions are transactions between the Institute and its key stakeholders and these are disclosed below:

<b>19.1 Board of directors fees</b>	<b>120 579 304</b>	<b>42 318 421</b>	<b>71 348 454</b>	<b>8 814 685</b>
Board fees	90 508 326	28 740 108	53 995 154	5 986 400
Other board expenses	30 070 978	13 578 313	17 353 300	2 828 285
<b>19.2 Key management staff</b>	<b>876 106 210</b>	<b>224 062 266</b>	<b>782 237 687</b>	<b>46 670 888</b>
Remuneration	336 963 927	97 775 470	300 860 649	20 366 071
Allowances	539 142 283	126 286 796	481 377 038	26 304 817

**20. Pension arrangements**

**20.1 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.



## **20.2 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: 4.5% of the monthly basic salary.

Employers: 4.5% of the monthly basic salary.

Contributions by the employer are charged to the Statement of comprehensive income during the period under review.

## **21. Post Balance Sheet Event**

"The Government made an announcement regarding to new currency called Zimbabwe Gold (ZiG) starting 5 April 2024. This official announcement of the currency was issued by Reserve Bank of Zimbabwe under Statutory Instrument (S.I) 60 of 2024 and it impacts on the Institute as its functional currency was ZWL dollar, now that the currency has ceased to exist. When there is a change in an entity's functional currency, the entity applies the translation procedures applicable to the new functional currency prospectively from the date of the change. All Institute's items are translated into the new functional currency (ZiG) using the official exchange rate at the date of the change. The Institute's financial statements for the year ended 31 December 2023 are not affected by this event."



**ZIPAM Staff observing Africa Day**