

2010

ANNUAL REPORT



CONTENTS

Vision values mission.....	1
Chairperson's foreword.....	2
Vice Chancellor's introduction.....	3
2.0 2010 Highlights.....	4
3.0 Our Impact by the numbers.....	4
4.0 Corporate Governance.....	5
5.0 Academic Governance.....	9
6.0 University Policies and Procedure.....	11
7.0 University Strategic Plan (2008-2012).....	11
8.0 Institutional Management.....	12
9.0 Risk Management.....	13
10.0 Information and Communication Technology.....	14
11.0 University Services.....	14
12.0 Strategic Partnership.....	14
13.0 Workshops.....	14
14.0 Student Welfare.....	15
15.0 Infrastructure Development.....	16
16.0 Reflection and outlook	18
17.0 Audited Financial Statements.....	19



2010



VISION STATEMENT

To be a leader in provision of higher education in the region. To be celebrated for providing comprehensive and rigorous teaching, learning, research and scholarly programmes that are responsive to the needs of the individuals, industry and society.

SHARED VALUES

The University strives to achieve academic excellence within an ethical framework informed by its values of Equity, Accountability, Transparency, Social Justice, Integrity, Inclusiveness, Excellence, Critical Thinking, Academic Freedom and Search for new knowledge, Service and Innovativeness.

The University operates a complaints procedure which provides for both informal and formal resolution of concerns about most aspects of a student's academic and non academic experience.

The majority of complaints received from students in 2010 have been resolved satisfactorily suffice to mention that the challenge of affordability in the wake of declining government bursary allocations is growing feature among student appeals.

MISSION

The University of Zambia's mission is to be a center of excellence in higher education for individuals, industry, and society through the provision of quality education, research and scholarly programmes for strategic human resource development, in order to promote national and regional development, through relevant and

CHAIRPERSON'S FOREWORD

Despite continuing to face the challenge of providing higher education in Zambia in a framework of a continuing national reduction in public funding towards sustainable operations, the year 2010 has been an encouraging year for the University of Zambia. And so it is on behalf of Council and the Management team that I express satisfaction to present to government and other stakeholders our annual report for 2010.

The 2010 fiscal year was important for the University of Zambia in many ways. At the academic front we grew the student population from 13,248 in 2009 to 14,901 in 2010 signifying a twelve percent growth in student enrolment. This growth was accompanied by an equitable enrolment of female students representing a forty four percent proportion of female students.

In the year under review, we commissioned three hundred new bed spaces with two hundred and forty at the Great East Road Campus and sixty at the Ridgeway Campus. This represented a ten percent increase in the overall bed space capacity at the University of Zambia.

Reflecting on the University of Zambia's teaching and learning, we can be proud that we introduced three new programmes in the School of Agricultural Sciences, three undergraduate programmes in the School of Education, and eleven new programmes under the School of Medicine.

If I could summate what I believe to be the University of Zambia's strengths, they are its people and its strong brand.

Our innovation of a rural based cell phone charger using wind as a renewable energy source must be supported and the urge to commercialize research ideas must be made to grow. We leveraged on the nine Schools across the University to conduct thirty six research and consultancy projects.

Over the year under review, I have had the pleasure to work with an excellent team of Council and Management team members. Council remains of the view that the University of Zambia when guided by a sound strategy and strong government financial support will develop a sustainable operation.



Dr Tukiya Kankasa-Mabula,
CHAIRPERSON

It is a credit to the entire team of academic and non academic staff at the University of Zambia for their contribution to the operational results for the year under review. The contribution of many of our collaborating partners is equally commendable.

We make our own history in the reality of the times in which we live. I am confident that we will forge our future in ways in which knowledge and understanding will continue to be sought.



VICE CHANCELLOR'S INTRODUCTION

It is with tremendous pride that the University of Zambia and management present the Annual Report for the fiscal year 2010.

The pages that follow this introduction provide statistics and examples of attainment, but also a determination to focus our resources in our core business and values.

The headlines tell both an encouraging and challenging story of prospects that are ahead of us.

Our income in the year 2010 dropped by six percent.

Our net operating position reflects a negative bottomline. It is evident that with a declining government grant to the University, the future financial outlook of the University will require a wide range of process re-engineering. The qualified audit report attest to this.

Notwithstanding, the work behind the numbers show an encouraging operating performance. The University of Zambia has a consistently strong performance in research which remains a hallmark of its national and international reputation. We have seen a growth in collaborative research in key themes such as city formation and informal settlements, global competitiveness and economic governance and infectious disease control.

The quality of our teaching and the experience of our students have grown from strength to strength in the year under review and we are very pleased to see real success in all disciplines in terms of the recruitment of talented students from different parts of the country.

Working in partnership with students was indeed a key theme for the year 2010 and reflects the fact that students at the University of Zambia are far more than simply consumers



Prof Stephen Simukanga, **VICE CHANCELLOR**

of a University education. Our students are rather a vital part of our University and the partnership we enjoy with the student unions at both the Great East Road and Ridgeway campus us to avoid complacency and to constantly add to the needs of a changing society.

In order to make our aspiration as a University community a reality, we must be both financially secure and consistently alive to the changing education environment.

Success in securing research and forging partnerships with leading organisations are critical to our success.

So, in addition to our strengths in research and teaching, the University of Zambia is increasingly determined to work in partnership with others to ensure we find solutions to the challenges we face.

2.0 2010 HIGHLIGHTS

We empower through education, knowledge and exchange

- The Honorary Doctor of Laws degree was conferred on South African President Jacob Zuma;
- Fifteen postgraduate were introduced in the School of Medicine when fourteen were masters degree programmes and four were distinct PhD specialization;
- Established a high cost medical scheme at the University Teaching Hospital for students in the School of Medicine;
- Was awarded the Education Partnership in Africa (EPA) project to hold institutional capacity and quality to deliver employable skills in collaboration with local employers and social enterprises;
- Construction of the Agricultural Technology Demonstration Centre (ATDC) at Liempe Farm commenced in March 2010. The project is within the framework of Economic & Technical Cooperation Agreement between the government of the Republic of Zambia;
- The Copper belt Energy Corporation (CEC) embarked on a project to refurbish classrooms at the School of Engineering in a move aimed at improving the quality of education. In January 2010, the refurbished classrooms were handed over along with a donation of laptops to the Centre for Information & Communication Technologies (CICT).

3.0 OUR IMPACT BY THE NUMBERS

Student population 14,901

Category	SEX		
	Male	Female	Total
1. Undergraduate	7, 918	6, 360	14, 218
• Full time	5, 299	4, 179	9, 478
• Distance	2, 030	1, 774	3, 804
• Part-time	168	68	236
• Parallel	362	247	609
• Evening	59	32	91
2. Postgraduate	431	252	683
• Phd	22	12	34
• Masters	401	237	638
• Diploma	08	03	11
Grand Total	8, 349	6, 252	14, 901

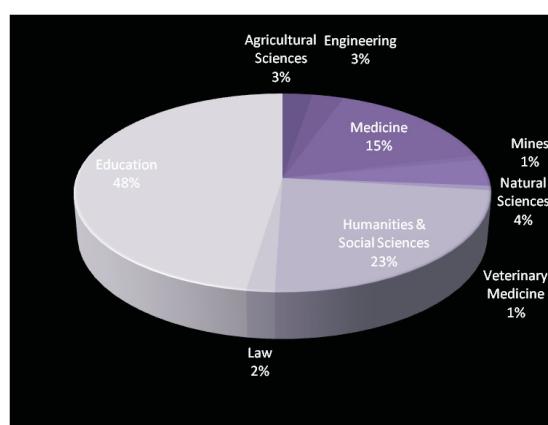
Admissions

Total students admitted 3, 040

Graduation 2010

Undergraduates	3,289
Postgraduate Diploma	20
Masters	189
PhDs	8

Student population by School



4.0 CORPORATE GOVERNANCE

The University of Zambia is a public University established by the University of Zambia Act of 1965 and amended as the University Act of 1999. It was established as a teaching and examining body, to cultivate and promote arts, science and learning.

The University of Zambia receives substantial public funding and by virtue of its educational nature and its objectives, is exempt from corporate tax.

Statement of primary responsibilities of the University Council

Corporate governance at the University of Zambia is a responsibility of the University Council, appointed under the University Act of 1999. During the year under review, the University of Zambia Council that existed was appointed into office on 1st October, 2008 for a period of three (3) years through to 30th September, 2011.

Structure of governance

The University Council

The Council is the governing body of the University. As such, it has a collective responsibility to promote the University's wellbeing and to ensure its sustainability. The specific responsibilities of Council are outlined in the terms of reference below.

The Terms of Reference for the University of Zambia Council are outlined in the University Act, No 11 of 1999, and Part II Division 2.3 Section 17.

- (I) Council shall be responsible for the governance, control and administration of a university and in all other cases, not otherwise provided for by the Act, shall act in the best interest of the University.
- (ii) Without prejudice to the generality of the foregoing, a Council may:
 - (a) Receive, on behalf of the university or constituent college or institution, gifts, donations, bequests, grants or other monies and make disbursements there from to the university, constituent college or institution;
 - (b) Provide for the welfare of the staff and students of the university;
 - (c) Determine the salaries and other conditions of service of the staff of the university;
 - (d) Appoint and suspend, dismiss or otherwise discipline persons in the employment of the university in accordance with the provisions of this Act;
 - (e) Regulate and determine all matters concerning the university in accordance with the rules enacted in that behalf by the council;
 - (f) Administer funds placed at the disposal of the university for specific purposes;
 - (g) Select and determine the form of coat of arms for the university;
 - (h) Take into account and if the council considers it proper to do so, give effect to or approve reports or recommendations from Senate on those matters upon which the senate is authorized or required by this Act to make reports or recommendations;



- (l) implement the decisions of the Senate on those matters upon which Senate has authority under this Act;
- (j) Determine the terms and conditions on which examiners shall be appointed by the Senate and the remuneration to be paid to the examiners;
- (k) Determine, after consultation with the senate, the academic dress and insignia of the Chancellor, officers and graduates of the university;
- (l) Call for, receive and consider reports from the Vice-Chancellor on the working of the university;
- (m) Enter into, vary, carry out or rescind contracts on behalf of the university;
- (n) Determine all fees;
- (o) Establish administrative or service sections or units of the university as it considers necessary and abolish or vary the constitution of any such administrative or service section or unit; and
- (p) Do any other things which are necessary or conducive to the performance of its functions under this Act.

Internal control

The Council is responsible for ensuring a sound and effective system of internal control that supports the fulfilment of the University's policies, aims and objectives whilst safeguarding public and other funds and assets. The system of internal control is designed to manage rather than eliminate these risks of failure: it can provide reasonable but not absolute assurance.

Detailed review and monitoring of the system of internal control is carried out on behalf of the Council by the Audit Committee, from which it receives periodic reports. The Committee itself receives regular reports from the internal auditors; those reports include an independent opinion on the adequacy and effectiveness of the University's arrangements for risk management, governance, internal control, and securing value for money, with recommendations for improvement where appropriate.

Review of the system of internal control is informed too by the work of executive managers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Financial control

The Council is required to secure the economical, efficient and effective management of the University's resources and expenditure and to safeguard its assets (including preventing and detecting fraud).

In so doing, government and other sources of revenue are used only for the purposes for which they have been given.

The University discharges these responsibilities through a system of internal financial control. Key elements of this system include a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets, together with monthly reviews of financial results involving variance reporting and updates of forecast out-turns.

Requirements for approval and control of expenditure are clearly defined and formalised, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Council and recorded in the University's Scheme of Delegation. The Scheme of Delegation also includes clear definitions of the responsibilities of, and the authority delegated to, academic and administrative heads. This system is underpinned by comprehensive Financial Regulations which detail financial controls and procedures; and by a professional internal audit team whose annual programme is approved by the Audit Committee.

The Council is also responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the University and which ensure that the financial statements are prepared in accordance with appropriate standards.

In addition, within the terms and conditions of the Financial Memorandum, the Council, through its accountable officer, is required to ensure annually that financial statements are prepared, audited and presented which give a true and fair view of the state of affairs of the University at the end of the financial year, and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Council has ensured that suitable accounting policies are selected and applied consistently; applicable accounting standards have been followed (subject to any material departures disclosed and explained in the financial statements); and that judgments and estimates are made that are reasonable and prudent.

Risk management

The management of risk is integral to the work of the Council and constitutes a significant part of the University's system of internal control. As part of this process, the Council regularly considers the strategic direction of the University and institutional plans, and receives regular reports on progress against key performance indicators (KPIs), strategic themes and other significant projects and risk factors. The Council also requires regular reports from managers on the steps they are taking to manage the risks associated with the achievement of the University's strategic objectives.

Going concern The University's academic activities, together with the factors likely to affect its future development, performance and position are set out in the review of the year. The financial position of the University, its cash flows, liquidity position and borrowing facilities are described in the audited financial statements.

The Council considers that the University has insufficient financial resources to continue in operational existence for the foreseeable future.

Accordingly, this poses a challenge in adopting the going concern basis in preparing the Annual Report and Accounts.

During its tenure, the University Council considered various issues for the Management of the University. Thus, during the period under review, the Council made achievements and also faced challenges that still required consideration.

Committees of Council

In order to execute its functions effectively, the University Council had five (5) operational standing Committees, namely:

- (I) Audit Committee;
- (ii) Executive Planning and Resources Committee;
- (iii) Finance and Infrastructure

- (vi) Committee;
Human Resources Committee;
and
- (v) Remuneration Committee.

Audit Committee;

The Audit Committee is a Committee of Council that considers matters relating to enforcement of internal controls on University systems, practices and functions.

Terms of Reference

- (I) to review the financial reporting and internal control systems and procedures;
- (ii) to consider Central Administration's responses to queries raised by internal and external auditors relating to financial/accounting transactions and control systems in the University;
- (iii) To review the management of financial matters, and check the independence and objectivity of the external auditors; as well as the freedom allowed to the internal auditors;
- (iv) To review the consistency of accounting policies on a year to year basis;
- (v) To review and co-ordinate the activities of the internal auditors;
- (vi) To ensure that the head of Internal Audit has the right to access the Chairperson of the Committee;
- (vii) To consider the major findings of audit investigations and management responses;
- (viii) To consider, review and recommend to Council for approval the internal audit plans and programmes; as well as ensuring that there is right to access any assignments undertaken by external auditors;
- (xi) To meet with the Internal and External Auditors, either together, or with each separately, as would be deemed appropriate, at least once in a year;
- (x) To receive and consider an annual report on auditors matters;
- (xi) To consider any other business that might be referred to the Committee by Council.

In the year under review, a two (2) day sensitisation workshop on Accountability of University of Zambia funds in the Provincial Centres was held on 9th and 10th June 2010 at the Resident lecturers Annual General Conference.

The purpose of the workshop was to address the common audit queries on failure to account for funds in the provincial centres. Arising from this workshop, it was recommended that student registration be administered online so that the human intervention in the handing of student fees is reduced.

The year under review also saw a number of follow-up audits being conducted. A total of Ninety four recommendations were made and only twenty three percent were fully implemented leaving seventy one percent not implemented. The low implementation rate was attributed to the absence of Resident Lecturers in the three provincial centres (Central, North-western and Eastern).

The Committee also considered ten (10) routine audit reports in the year under consideration.

Executive Planning and Resources Committee

The Executive Planning and Resources Committee is a Committee of Council that functions and makes major decisions and recommendations on behalf of Council on policy, line and support functions such as teaching, research, consultancy, human resources, finance and other administrative matters.

Terms of Reference

- (I) to formulate, receive and consider policies and development plans for the University for the Approval of Council in various areas including:
 - a) Academic Development;
 - b) Academic and administrative support needs;
 - c) Buildings;
 - d) Plant and Equipment
- (ii) To receive and consider student and staff appeals on various matters.
- (iii) To review progress on the implementation of existing plans and set new targets where necessary;
- (iv) To consider and recommend to Council the appointment on contract for all Principal Officers (Vice-Chancellor, Deputy Vice-Chancellor, Registrar, Bursar, University Librarian and Dean of Students).
- (v) To consider and approve renewal of contract for all Principal Officers (Vice-Chancellor, Deputy Vice-Chancellor, Registrar, Bursar, University Librarian and Dean of Students).
- (vi) To consider any other business that might be referred to the committee by council.

Finance and Infrastructure Committee

The Finance and Infrastructure Committee is a Committee of Council that considers financial and infrastructure matters of the University.

Terms of Reference

- (I) To formulate, receive, consider and recommend for approval by Council, all policies, plans and procedures on financial and infrastructure matters in the University;
- (ii) To formulate, review and recommend to Council for approval resource mobilization policy for the University;
- (iii) To develop and recommend to Council for approval resource mobilization plans for the University;
- (iv) To formulate, review and recommend to Council for approval the investment Policy of the University;
- (v) To develop and recommend to Council for approval the investment Plans of the University;
- (vi) To receive, consider and recommend to Council for approval of the annual estimates of Income and Expenditure for each financial year;
- (vii) To receive, consider and recommend to Council for approval of the supplementary Estimates of Income and Expenditure;
- (viii) To receive and consider the quarterly and annual accounts and recommend them to Council for approval;
- (ix) To receive, consider and approve recommendations with financial implications arising from other Committees of Council;
- (x) To approve the level of fees and other charges levied by the Council from time to time;
- (xi) To explore and consider ways and means of diversifying the revenue base of the University and recommend to Council for approval;

In the year under review, Council approved the implementation of the requirement to present at least the first quarter financial statements at the Finance & Infrastructure meeting held in August of each year.

Council further approved the adoption of the Draft Financial Regulations of 18 September 2002. This regularized the use of such regulations in the governance of the University of Zambia.

In the period under review, the Finance & Infrastructure Committee considered the challenges faced in the preparation of financial statements on the basis of the 1997 chart of accounts. To this end, the chart of accounts was reviewed and a new set developed and approved for implementation beginning the 2010 financial year.

The Finance and Infrastructure Committee considered a request to open a Dollar Welcome Trust Account under the School of Medicine. This account was set to be a basket for research funds from the participation of a pool of collaborating partners.

Human Resources Committee

The Human Resources Committee is a Committee of Council that considers matters relating to human resources management in the University.

Terms of Reference

- i) to formulate, consider and recommend to Council for approval of all matters relating to the Human Resources Policy of the University;
- ii) To consider and approve appointments of all staff, with the exception of the Principal Officers;
- iii) To consider and approve renewal of contracts for all staff, with the exception of the Principal Officers;
- iv) to recommend to council for approval the criteria for appointment and promotion of all staff, with the exception of Principal officers;
- v) To consider and approve promotions of all staff, with the exception of Principal Officers;
- vi) to consider any other business that might be referred to the Committee by Council.

Remuneration Committee

The Remuneration Committee is a Committee of Council that considers matters relating to remuneration of staff in the University.

Terms of Reference

- ii) to formulate, review and recommend for approval to Council all policies on remuneration of staff in the university;
- ii) To set parameters for Management before commencement of negotiations for salaries and Conditions of Service for represented staff;
- iii) To consider remuneration issues and other Conditions of Service for all University staff;
- v) To consider any other business that might be referred to the Committee by Council.

5.0 ACADEMIC GOVERNANCE

The Senate

The Senate is responsible to the Council for academic governance, and especially for regulating the admission of students; the curriculum and assessment; maintenance and enhancement of academic standards; and the award of degrees and other qualifications.

The Senate consists of some 45 members of the academic staff and 2 student members; slightly over half of the staff members are elected.

In addition to its responsibility for academic governance, the Senate has an advisory role extending across most aspects of the University's work. It also serves as a two-way channel of communication, thus underpinning collegiality; and is responsible in particular for advising the Council on academic and related strategies.

The Senate may discuss and declare an opinion on any matter whatsoever relating to the University; and is given the opportunity to comment on policy questions and other matters affecting the academic work of the University.

Change of Academic System

In 2010, the University embarked on a process to change the academic delivery system from a Semester systems to a Term System. Discussions on the transition commenced in 2010 through various Schools submitted proposals in support or not. The transition was mainly motivated by the need to accord academic members of staff time to rest and carry out research.

Admissions and Enrolments

The under review was a successful year in the area of student enrolments and admissions. The balance in male and female students was impressive. Of the 14,901 registered students, 8,349 (or 56%) were male and 6,552 (or 44%) were female.

In so far as level of academic study was concerned, 14,218 (or 95.4%) were undergraduate and 683 (or 4.6%) graduate students. The University needs to promote a policy for increased enrolment in graduate study programmes. The 2010 academic year has recorded the largest cohort of enrolled students hitherto. Last year 2009, the total enrolment at first semester was 13,248 students; in 2008, the total enrolment at first semester was 11,567; and in 2007, the total enrolment at first semester was 10,685.

Although the expansion in student enrolment has not been matched with corresponding expansion in facilities and infrastructure, the year 2010 enjoyed an additional 300 bed spaces (240 at Main Campus and 60 at Ridgeway Campus) in the newly commissioned student hostels, representing a 10% increment in overall bed space capacity at the University.

The other noteworthy development is that there has been a remarkable increase in student enrolment for the parallel programme with a record 609 students registered in 2010 academic year compared to 312 students in the year 2009 and 161 students in the year 2008 at commencement of this study mode.

Teaching and Learning

As a response to the direct relationship that persisted among the bumper maize harvest, high food production and the high rural poverty, the University of Zambia introduced a Bachelor of Science in Human Nutrition. In addition, the School of Agricultural Sciences formulated two new academic programmes namely Bachelor of Science in Agricultural Economics and a Bachelor of Science in Agricultural Extension.



In the year under review, the University began to develop new degrees as follows (B.Ed) in curriculum studies and B.Ed in life skills respectively. BA with Religious studies. In addition a Diploma in Sports Studies commenced in the under review.

The School of Education through its Advisory Unit for Colleges of Education (AUCE) moderated diploma programmes at nine colleges across the country.

The University, (through the department of Electrical Engineering) and the University of Manchester (UM) were awarded the Education Partnership in Africa (EPA) project to hold Institutional capacity and quality to deliver employable skills in collaboration with local employers and social enterprises.

The award giving ceremony held by the School of Agricultural Sciences witnessed the provision of prizes to top performing students on excellence in performance awards to two academic staff namely Dr. Mick S. Mwala and Dr. Kavwanga Yambayamba.

The University awarded the Honorary Doctor of Law degree on South African President Jacob Zuma.

The University approved eleven new programmes under the School of Medicine expected to start in 2011. The Southern Africa Consortium for Research Excellence (SACCURE) project through Wellcome Trust Project was initiated and in the year under review secured five PhD Scholarship for students.

The School of Natural Sciences introduced the XVD equipment. The equipment provided enhanced delivery of lectures to large classes.

The Institute for Distance Education successfully held the 2010 residential school over a week period. The IDE worked with the School of Medicine to introduce a Bachelor of Arts in Nursing as the school of Humanities and Social Sciences to introduce a Bachelor of Arts degree in psychology.



Research and Innovation

In the year under review, the School of Agricultural Sciences continued to implement funded projects including impacts of Zimbabwe's land reform on rural poverty and development in Mozambique, South Africa and Zambia's Diagnosing maize Environments, seed systems and identifying big investments paths, production requirements and feeding strategies of Japanese quails, cattle and local chickens for increased productivity and vapor-transpiration studies.

The School of Education undertook eleven research activities in the period under review. Among these research activities, a study on the Evaluation of the Re-entry Policy in Zambia, A case of Southern Province was funded by the Ministry of Education and a study on factors that continue to impede Girls Education in Kapiri Mposhi, Masaiti, Mwinilunga, Namwala and Nyimba Districts was funded by Forum for African Women Educationalists of Zambia (FAWEZA).

The University of Zambia through the School of Engineering promoted innovation through research in the development of rural based cell phone charger using wind as a renewable energy source. In addition, three research activities were undertaken and included a construction section transparency (COST) initiative baseline study and was a global study veering seven countries under the sponsorship of the World Bank and the Department of International Development.

In addition, a number of research projects have been implemented by the Institute of Economic and Social Research (INESOR) during the year under review.

Notable projects are; the Continuation of INESOR/Lund University collaboration project "African Food Crisis and the Millennium Development Goals" (AFRINT II); and the NORAD funded Fredkorpsset/Business Experience Exchange Programme (BEEP), both under the Agricultural Research Programme.

The programme also continued to participate in the exchange programme of young professionals. Staff from Makerere University in Uganda came to INESOR to participate in research as a way of enhancing their skills and competencies.

The Governance research programme has spearheaded the research project on Southern Africa Liberation Struggle in collaboration with the Government of the Republic of Zambia and the SADC Secretariat. The Economic and Business Research Programme collaborated with World Economic Forum and the programme has

conducted and facilitated capacity building activities and research with African Economic Research Consortium on "Chinese Investment in Zambia".

INESOR has also collaborated with UNDP and assisted to disseminate the Human Development Report to key stakeholders in all provincial headquarters in the country and further collaborated with UNDP on the Pro Poor Policy Dialogue Discussion.

6.0 UNIVERSITY POLICIES AND PROCEDURES

One of the major responsibilities under governance is the formulation and development of operational relevant documents. Such documents include policies, procedures and manuals to mention but a few. During the year under review, a number of Schools worked on their Handbooks. These Schools were the School of Agricultural Sciences, School of education and the School of Natural Sciences.

Further, the School of Natural Sciences placed most of its Departmental Handbooks on the University Website. The University of Zambia has developed a number of policies to guide its operations;

- A set of policies and regulations assists to govern regulation of training of members of staff;
- The sexual harassment policy guides on what sexual harassment is and the outline procedures the University uses to investigate and take appropriate action in complaints of sexual harassment.
- The Staff development policy guides development of academic and non academic staff;
- The search policy exists to provide a policy framework for the management support and development of research at the University of Zambia. This policy also provides a strategy on how to achieve the research goals.

7.0 UNIVERSITY STRATEGIC PLAN (2008-2012)

In 2011, The University of Zambia Strategic Plan, Restoring Excellence in Teaching, Research and Public Service, which had eight directional strategies meant to provide a context to guide our actions, was in the fourth year of implementing the 2008-2012 University Strategic Plans. The Strategic objectives of the 2008-2012 were as follows:

The 2008 – 2012 strategic plans focuses on the following strategic directions:

1. Promote and maintain excellence in Teaching and Learning
2. Improve the quality and output of Research and Consultancy
3. Strengthen financial management and diversity source of income
4. Strengthen the management system
5. Improve staffing levels
6. Increase the scope and maintenance of physical infrastructure
7. Improve the state of the library and ICT facilities
8. Ensure the stability and continuity of the University calendar.

The Strategic directions as highlighted above are supported by secondary Strategies in key focus areas namely and equity, quality assurance, Governance and organizational structure, security, image of the institution.

Student welfare, collaboration, international linkages, gender equity, HIV and AIDS and competition from mushrooming universities.

Challenges associated with implementation of the strategic plan

In the year under review the following have been identified as the major challenges affecting the achievement of objectives in various categories:

Curriculum Reform

Insufficient funds to undertake the required reviews.

Quality of Teaching and Learning

Insufficient funds to train staff in Information and Communication Technology to enhance teaching and learning.

Consultancy

The University has had a setback in so far as funds to train staff in consultancy skills. Secondly, the period under review recorded a limited number of senior level staff to mentor the junior staff.

Transparency and Accountability in Resource Allocation and Utilization

There is need to increase the number of competent financial officers if this strategic direction is to be adequately receive attention. Secondly, the lack of funds to train staff in Financial Management is another area that needs to be addressed through priority.

UNZA staff establishment & development of a retirement policy

In the year under review, attempts to complete job evaluations did not yield the level of success that was desired. As a consequence, it was not possible to conclude the development of an optimal staff establishment.

8.0 INSTITUTIONAL MANAGEMENT

Institutional management of the University of Zambia spans across a number of academic and non-academic functions such as financial management, human resources management, information and communication technology, university services, strategic partnerships created and entered into by the university, student admissions and registration, teaching and learning as well as research.

To effectively carry out these functions, the university has 16 units out of which 11 are academic oriented. During the period under review, the following were constituted the Management team of the University:



Financial Overview

Financial resources are a critical input in institutional management of any organisation. As can be seen from the 2010 university budget, the University continued to have a deficit.

A number of factors have continued to hamper effective income generation and sound cash flows. These include low pricing of the commodity of education as well as lack of capitalisation of business ventures. Further, delays in remittances from the Government on behalf of sponsored students as well as inability for most students to pay their fees have also contributed to the financial challenges that the university faced in 2011.

University Investment

In the year under review, management received interest from Collins International Group, a South African Property Development Company to develop a Shopping Complex. Although management had determined that this proposal was attractive and had sought a no objection from the Finance and Infrastructure Committee, the guidance of the Zambia Procurement at the close of the year under review was that in accordance with the provisions of the public procurement Act, it was legally not tenable for the University of Zambia Council to proceed in obtaining a 'NO OBJECTION' because the pre-requisites of the transaction had not been met.

Debt Management

Over the years, the University has accrued debt emanating from non-payment of retirement benefits and contract gratuities.

The University was however, making efforts to find a lasting solution to have the debt reduced significantly.

Effective staff performance in any organisation requires investment in the training of employees to equip them with necessary competencies, skills, knowledge and expertise. In this vain, the university from time to time exposes its staff to various relevant training programmes. During the period under review, there were number of staff who attended short courses conferences and workshops both locally and outside the country.

Under the University Library, staff undertook capacity building programmes in the following areas:

9.0 RISK MANAGEMENT

The year 2010 marked the beginning of the implementation of the three (3) year Internal

Audit strategic plan which was approved by the Audit Committee on 2 February 2010. The main target for the year focused on the evaluation and review of the major systems and policies of the University in order to highlight weaknesses and recommend improvements so that excellence, transparency and accountability is promoted and enhanced in the management, procurement and delivery of services in the institution. The other target centered on sensitization workshops on risky areas of the institution meant to assist members of staff to appreciate the role of Internal Audit Unit and highlight major weaknesses observed by the Audit Unit and then come up with recommendations of how best the weaknesses in the systems can be improved.

The total identified auditable areas (both post and follow-up audits including the systems audit but excluding pre-audits and follow-ups brought forward from 2009) was ninety five (95)out of which seventy (70) i.e. 74% were completed , six (6) i.e. 6% represents the draft audit reports issued and nineteen (19)i.e. 20 % carried forward to 2011.

The establishment of adequate internal controls and systems in the University is the responsibility of management. Based on the summary of key results that came to light in 2011 through the Internal Audit Unit's works, it was established that the university had weaknesses with regard to internal controls and systems. This opinion was formed after taking into account the Post-audits, Follow-up audits and Investigation reports issued in the year.

Overall, it was assumed that based on observations made on deficiencies in the operational environment related to poor record keeping, the need to segregate duties, lack of regulatory compliance and paucity in policies and procedures, there was an opportunity for the University Management to institute measures to remedy the situation.

This was premised on the fact that other measures taken by Management on the recoveries of unrefired imprest, unaccounted for funds, undelivered goods and overpayments had sent a signal to the University community on need to be accountable and transparent in the Management of meager resources for the institution. This measure was seen as a positive move on the part of Management which promoted excellence in Teaching, Research and Public Service.

10.0 INFORMATION COMMUNICATION TECHNOLOGIES

The University of Zambia currently faces a critical challenge for teaching space. It was established that this problem could partly be resolved by the use of XVD Technology.

XVD Technology is a technology that is utilized in software and hardware solutions for various applications among which tele-education, broadcasting, and video conferencing and so on could be undertaken.

Thus, the University of Zambia invested in XVD technology in the year under review. In addition to acquiring XVD technology, the University of Zambia introduced a change from VSAT technology to an optic fiber based internet solution. A fiber cable from the ZESCO substation at Arcades to the University of Zambia was laid at a cost of one hundred and twenty million kwacha compliments of the financial support from Zambia Information and Communication Technology Authority (ZICTA).

This fiber network has enabled the transmission of E-Learning traffic between the University of Zambia and the Copperbelt University and indeed the hosting of video conferences.

In so far as the University of Zambia student's portal is concerned, the year under review enabled us set up a portal on the main University website.

The University also extended wireless internet connectivity to Liempe Farm in the year under review. The installation follows the construction of the Agricultural Demonstration Centre.

In addition wireless internet was extended to the Institution of Distance Education (IDE) new office building in Chudleigh.

11.0 UNIVERSITY SERVICES

During the year under review, several projects were implemented. Under the Netherlands Organisation for International Cooperation in Higher Education (NUFFIC) NPT 303 Library project, two projects stand out: 1) a Course Management System (CMS), also known as Learning Management System (LMS) or a Virtual Learning Environment (VLE) was implemented.

It is a web application lecturers can use to create effective online learning sites. So far, some courses have been uploaded and their contents are ready to be used: LIS 111 – Information and Society II : Information Systems

and Services - the African context; DE 302 – Introduction to Demographic Analysis; and S 975 – Medical Sociology. The University of Zambia Online Research Repository is another project.

It is an online repository aimed at increasing the visibility of UNZA research; help reach a worldwide audience through exposure to search engines such as Google. This is the beginning of digitally preserving the university's intellectual output.

12.0 STRATEGIC PARTNERSHIPS

A memorandum of Understanding was entered into with the African Virtue University (AVU) and the University of Zambia on 9 November 2010. The MoU was set to facilitate the delivery of a joint certificate programme in information and Communication Technology (ICT).

A memorandum of Understanding (MoU) was entered between the University of Zambia and the Ministry of Defense. The MoU paved way for the development of a Diploma in defense studies.

13.0 WORKSHOPS

The University of Zambia was represented at the Agriculture and Rural Development Research Programme FK/BEEP exchange preview and planning held in Malawi.

The University was further represented at a short course in "introductory statistics and economics" from 10th – 16th April 2010 held in Nairobi Kenya.

In June 2015, a scholar from the University of Zambia facilitated at an AfriComNet short course on *Understanding and use of DHS data for planning and decision making*.

A scholar from the University of Zambia presented a workshop paper titled "*A Critical Analysis of the Fifth National Development Plan (FNDP)*" at a workshop held in Lusaka in June 2010.

In addition, the University participated in a seminar on "*Mobility among Young People in Western Province*". This seminar was based on preliminary results by Dr Michael Barret from the Museum of Ethnography in Stockholm, Sweden.

The University also participated in a seminar on "Understanding Adolescent Girls Perceptions of Risk, Safety and Protection – Exploratory study".

From a Zambian culture perspective, the University was represented at a Lozi Royal Culture Exhibition and talk entitled "Tears of the Crocodile Lozi Society of the 19th Century through the eyes of the Czech traveler Emil Holub. This even was hosted by the Czech Republic Embassy in July 2010.

14.0 STUDENT WELFARE

The Unit coordinates the allocation of hostel accommodation at commencement of each semester and during vacation, as well as administrative liaison for efficient management of this service. The official accommodation list is presently 3,736 bed spaces, representing 3,494 (or 93.6%) normal study rooms and 242 (or 6.4 %) improvised bed spaces in flats and storerooms. Of the total occupiable bed spaces, 2,525 (or 67.6%) are female students and 1,211 (or 32.4%) are for male students.

Furthermore, 3,294 (or 88%) are at the Main Campus and 442 (or 12%) are at the Ridgeway Campus (see Appendix II for details).

Ridgeway Campus has a capacity of 442 (or 12%) bed spaces of the 3,736 total capacities for the University. With an enrolment of 1,035 students as at commencement of the 2010 academic year, only 442 (or 42.7%) of the full-time students were offered campus accommodation. The other 593 (or 57.3%) students remained without accommodation throughout the academic year.

Student hostels are cleaned by 12 Cleaning Contractors (11 at Main Campus and 1 at Ridgeway Campus). Generally, almost all the Cleaning Contractors seem to have performed their function moderately well at both campuses.



The health scheme for students at the Main Campus was supported through a referral network with the University Teaching Hospital (UTH), Chainama Hills Hospital and other private health care centres as well as regular psychosocial visitations by members of staff in the Unit. Besides, laundry services were offered to both students and outsiders at the main campus.

Campus security is provided by Pre-Secure, a private security firm engaged solely for this purpose. The firm performed generally well during the report period, although they lax to curtail trespassing. There is need for improvement in this area. Coordinated various activities to enhance social welfare needs of students such as health issues, HIV/AIDS awareness, and hostel cleaning, refuse collection, hostel maintenance, and security.

Coordinated the establishment of a high cost medical scheme with the UTH to service students in the Medical School.

Several sporting activities for students were undertaken and the most prominent were: inter-hostel and inter-school competitions, inter-class and inter-denomination competitions, ZHISA open and championship competitions, independence celebration games, Zambia Rugby Federation Union and Zambia Basketball Association competitions, the Chess Federation and the Zambia Volleyball Association league games, the Futsal league games and the Midlands Netball Association league games.

The University successfully hosted the annual Higher Learning Institutions (HLI) Rugby competition; and participated in CUCSA games held in Botswana, the FISU wood-ball championships held in Uganda and the regional basketball competition held in Mozambique.

The staff sports club participated in several friendly and competitive games with other clubs such as the Livingstone Institute of Business and Engineering Studies, Lukasha Trades Training Institute, Copperbelt University and the Southern African Universities Staff Sports Association (SAUSSA) games in Namibia. They also participated in inter-departmental games within the University.

In conjunction with UNZASU, the Unit worked to improve the recreational facilities in student common rooms by providing additional TV sets and regular subscription for DSTV. It coordinated recreational outings for students, the end of year party for members of staff and participated in the Youth Day celebrations.

The significant undertaking in this area is the promotion of inter-denominational, inter-faith religious gatherings and registration of student organizations in various sport disciplines. The Department coordinated a student visitation to the traditional ceremonies of Nc'wala in Eastern Province and Ukusefyang'wena in Northern Province; hosting the UNZA Sports and Recreation Day, the UNZA Cultural Night, the Miss UNZA Beauty Pageant, and the Sport Awards Gala, as well as the socio-cultural activities for distance education students. Many students attended these functions. Besides, the Department facilitated the participation of students in the Africa Zain Challenge competition in Uganda and an education tour to Tanzania.

15.0 INFRASTRUCTURE DEVELOPMENT

Construction of the four student hostels at Great East Road Campus completed in the year under review and the hostels were handed over to the University of Zambia at the close of the year under review.

Construction of student hostel at the Ridgeway Campus is almost complete and the hostel would be commissioned during the month of July 2010. Meanwhile, efforts to construct another hostel at the Ridgeway campus were underway. The construction of the hostel will be funded through the 2010 infrastructure budgetary allocation from Government.

Efforts to implement the UNZA Infrastructure Development Master Plan are underway. It may be recalled that an Agreement on the development of the infrastructure at the institution using the PPP arrangement was signed between the University and Graduare

Properties Limited on 8th February 2010.

The agreement includes the construction of student hostels, staff houses, Business Park and a hotel. The Development Site was handed over to the developer, Graduare Properties Limited on 7th June 2010.

Meanwhile, implementation of phase two of the programme is in process. The second phase will include a shopping Mall, a School, a Multi facility Conference Hall, a Sports Centre, and an expansion of the University Clinic.

Considering the poor state of infrastructure at the University and recognising the need to address the problem, the University Management established a Maintenance and Rehabilitation Management Committee. The Terms of Reference of the Committee include preparation of a University Wide Maintenance and Rehabilitation Plan and monitoring progress on the implementation of the Plan. The Committee was in the process of carrying an audit of existing infrastructure and land. The Audit would, amongst other things, determine the budget for rehabilitation and maintenance of infrastructure at the University.

It is noteworthy that this is in tandem with some strategies under the University of Zambia 2008-2012 Strategic Plan.

It will be recalled that the University of Zambia council directed the University Management to construct a modern lecture theatre with a minimum sitting capacity of 500 students. Efforts to construct the theatre are underway. The funds for construction will come from the budget line appropriate by Parliament on Infrastructure Development at the Institution.

The University has since requested the Ministry of Works and Supply to design the Lecture Theatre and supervise the works. Experts from the Ministry of Works and supply have since inspected the proposed site for the Lecture Theatre.

16. HUMAN RESOURCE

A total of one hundred and twenty-four (124) of the Staff Development Fellows and Study Programmes as indicated in Table 2 below were approved during the period under review compared to the approvals of 87 made of the same in the year 2009.

SDF Appointments and Study Programmes in 2010 in each School

School/Unit	SRFs		SDFs		Masters (NASTA)		U/G DEGREE		Post-Doctoral		Cert./ Diploma		Total
	M	F	M	F	M	F	M	F	M	F	M	F	
Agric.	3	3	3	3	-	-	-	-	-	-	-	-	12
Education	9	1	1	2	-	-	-	-	1	-	-	-	23
Engineering	1	-	1	-	-	-	-	-	-	-	-	-	13
HSS	1	6	1	5	-	-	-	-	-	-	-	-	29
Medicine	-	1	3	1	-	-	-	-	-	-	-	-	5
Mines	1	-	1	-	-	-	-	-	-	-	-	-	2
Law	-	1	1	1	-	-	-	-	-	-	-	-	3
Nat. Sciences	1	3	1	1	-	-	-	-	-	-	-	-	19
Vet. Medicine	3	1	-	-	-	-	-	-	-	1	3	8	
Registrar's	-	-	-	-	-	-	2	2	-	-	-	-	4
UNZA Library	-	-	-	-	2	-	-	-	-	-	-	-	2
CICT	-	-	-	-	-	1	-	1	-	-	-	-	2
Sub Total	1	1	6	1	2	1	2	3	1	-	1	3	124
Total	35		75		3		5		1		4		124

The above table shows that 35 Special Research Fellows, 75 Staff Development Fellows, 3 Masters (NASTA), 5 Undergraduates, 1 Post-doctoral and 4 Certificate/Diploma, a total number of 124 from different Schools/Units were admitted to the Staff Development Programme during the year 2010.

One of the main staff development challenges the University faces is the provision of PhD level training. This is because the majority of the academic staff are at Masters level. The University is also constrained in conducting research because of the low number of staff holding PhD level training.

In the year under review, a decision was made that for academic staff, UNZA should endeavour to employ persons who had already acquired Masters Degree qualifications independently and that the Staff Development Programme would in turn focus on PhD training.

However, from the table above, it can be seen that more Staff Development Fellows were recruited during the period under review therefore defeating the focus of the Staff Development Programme as per policy guidance. This was the same pattern in the year 2009 where 52 Staff Development Fellows were appointed compared to 24 Special Research Fellows admitted to the Programme.

3.5 Facilitation of completion of study programmes

A total of forty-three (43) employees covering Special Research Fellows, Staff Development Fellows and Non-academic members of staff from different Schools/Units successfully completed their study programmes during the year under review compared to 23 who completed in the year 2009.

The table below shows the study programmes that were successfully completed according to each School:

Table 4: Completion of Study Programmes by School

School/Unit	SRF s	SDF s	Masters (NASTA)	U/G Degre e	U/G Diplom a	Certificat e	Total
Agric.	-	2		-		1	3
Education	3	7	-	-	-	-	10
Engineering	2	3	-	-	-	-	5
HSS		9	-	-	-	-	9
Medicine	1	1	-	-	-	-	2
Nat. Sciences	-	1	-	-	1	-	1
Registrar's	-	-	1	6	-	-	7
UNZA Library	-	-	4	1	-	-	5
Sub Total	6	23	5	7	1	1	
Total	6	23	5	7	1	1	43

The University recorded an increase in number of staff members who completed their study programmes in 2010 compared to 23 who completed in the year 2009.

3.6 Facilitation of extension of Study Programmes

3.6.1 During the period under review, a total of sixteen (16) applications for extension of study programmes were considered and approved as shown below:

Special Research Fellows	=	6
Staff Development Fellows	=	9
Masters (NASTA)	=	1
		16

The tables that follow indicate employees on the Staff Development Programme as at 31st December 2010.

4.1.2 Special Research Fellows (Doctorate)

Table 5

SCHOOL	LOCAL		ABROAD		TOTAL
	M	F	M	F	
Agricultural Sciences	0	2	6	4	12
Education	10	2	5	3	20
Engineering	6	0	8	0	14
HSS	9	4	8	1	21
Medicine	0	7	2	0	9
Mines	1	0	2	0	3
Law	0	0	0	1	1
Natural Sciences	2	2	8	6	18
Veterinary Medicine	2	0	7	3	12
University Library	0	0	0	1	1
Sub Total	31	17	46	19	113
Total	48		65		113

4.1.3 Staff Development Fellows

Table 6

SCHOOL	LOCAL		ABROAD		TOTAL
	M	F	M	F	
Agricultural Sciences	1	5	5	1	12
Education	13	14	2	2	31
Engineering	11	0	18	0	29
HSS	19	9	6	2	36
Medicine	7	2	6	2	17
Mines	3	0	1	0	4
Law	1	0	2	2	5
Natural Sciences	19	6	8	1	34
Veterinary Medicine	4	1	2	0	7
Sub Total	78	37	50	10	175
Total	115		60		175

4.1.4 Non-academic Staff Training Awards (NASTA)

(a) Masters

Table 7

SCHOOL/UNIT	LOCAL		ABROAD		TOTAL
	M	F	M	F	
Registrar's	3	1	0	0	4
CICT	0	0	0	1	1
Veterinary Medicine	2	0	0	0	2
University Library	4	3	0	0	7
Sub Total	9	4	0	1	14
Total	13		2		15

Table 7 above indicates that there were 15 NASTA pursuing different study programmes at Masters level and only two female were pursuing at this level. Out of the 15 studying this level only two were studying abroad.

(a) Undergraduates (Degree/Diploma/Certificate)

Table 8

SCHOOL	NASTA DEGREE		NASTA DIPLOMA		NASTA CERTIFICATE		TOTAL
	M	F	M	F	M	F	
Agric. Sciences	0	1	0	0	0	1	2
Registrar's	1	7	0	0	0	2	10
CICT	0	1	0	0	0	0	1
Natural Sciences	3	0	0	0	0	0	3
University Library	1	0	0	0	0	1	2
Vet. Medicine	0	0	1	0	0	0	1
Medicine	1	1	0	0	0	0	2
Sub Total	6	10	1	0	0	4	21
Total	16		1		4		21

16.0 REFLECTION & OUTLOOK

In the year under review, the University faced a number of challenges. From the perspective of reading materials, the lack of funds to purchase the latest materials for students and staff was a major setback. It must be recognized that the demand for library and information services is consistently growing as the student population continues to rise.

The University operated with a limited number of policies and this inhibited in a number of cases, University operations.

The lack of finances was a major constraint to the University's ability to implement critical policies. The absence of funding policy for research affected the quality of research at departmental level.

The limited infrastructure for teaching and learning has impacted negatively on course delivery. For example, the absence of specialized rooms and equipment in practical fields such as music, art and design home economics visibly inhibited course delivery in the School of Education.

The absence of adequate office space for academic and non- academic staff had a negative impact on staff morale in the period under review. There are significant cases of academic staff sharing offices. This has been exacerbated by the lack of other teaching aids such as clinical equipment, reagents and microscopes.

The school of Veterinary Medicine houses a Veterinary Clinic with potential to provide nationwide specialized medical services. With investment in specialized equipment, the level of service delivery would change and an opportunity to create sustainable operations at the School created.

It can be said therefore that the underlying challenge to the successful implementation of the strategic objectives of the University was the lack of funds. In an effort to mobilize funds towards the strategic plan 2008 – 2013 particularly to support the take off of objectives in curriculum development, quality assurance, strengthening of management systems, human resource management and information systems support, the Netherlands Initiative for Capacity Building in Higher Education (NICHE) was developed and is expected to take off in 2011.

2010

AUDITED FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITIES OF COUNCIL IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The University of Zambia Council (the Council) is responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of The University of Zambia and of the surplus or deficit for the period. In presenting those financial statements, the Councillors are required to:

- i) Select suitable accounting policies and then apply them consistently
- ii) Make judgments and estimates that are reasonable and prudent
- iii) State whether applicable accounting standards have been followed
- iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in business

The Councillors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University of Zambia and to ensure that financial statements comply with the University Act No. 11 of 1999. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council confirms that in their opinion:

- a) The financial statements give a true and fair view of the financial position of University of Zambia as of 31 December 2010, and of its financial performance and its cash flows for the year then ended;
- b) At the date of this statement there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due; and
- c) The financial statements are drawn up in accordance with International Financial Reporting Standards and comply with the University Act No. 11 of 1999.

This statement is made in accordance with the resolution of Council.

Signed at: **Lusaka** on**2012**

Council Chairperson

Vice Chancellor

Auditor's Report

In accordance with the provisions of Article 121 of the Constitution of Zambia, Public Finance Act No. 15 of 2004 and Public Audit Act of 1980 Cap 378, I have audited the financial statements set out on pages 4 to 17 which have been prepared under historical cost convention.

Responsibilities of Management

Management of the University is responsible for the preparation of the financial statements for each year, which presents a true and fair view. In preparing the financial statements, management select suitable accounting policies and then applies them consistently, makes judgment that are reasonable, prudent and follows generally acceptable accounting principles.

The University's management is also responsible for the system of internal controls, safeguarding of the assets and taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

Responsibility of the Auditor General

It is my responsibility to form an independent opinion, based on my audit, on the financial statements and report my opinion to you.

Basis of opinion

The audit was conducted in accordance with the Office of the Auditor General Auditing Standards, International Standards on Auditing and generally accepted auditing standards. It included examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgments made by the University in the preparation of the financial statements and whether the accounting policies are appropriate to the University's circumstances, consistently applied and adequately disclosed.

The audit was planned and conducted so as to obtain all the information and explanations, which were considered necessary in order to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or other irregularities. I consider that my audit procedures were appropriate in the circumstance to support my opinion. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements and noted the following:

- Contrary to IAS 16, the University did not provide for depreciation to its non-current assets
- The University did not undertake bank reconciliations rendering the accuracy of cash and bank balances questionable.
- The University did not conduct annual stock take as such the accuracy and completeness of the inventories could not be ascertained.
- The University did not maintain a register of non-current assets, therefore, I was not able to ascertain, the accuracy and completeness of the non-current assets reported.

Opinion

In my opinion, the financial statements on pages 4 to 18 do not give a true and fair view of the financial position of the University of Zambia as at 31st December 2010 and of its deficit for the financial year then ended.

Anna O. Chifungula (FCCA, FZICA)

AUDITOR GENERAL

DATE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 K'000	2009 K'000
Income			
Grants and Fees	3.1	210,648,537	236,634,779
Other Income	3.2	25,434,479	15,702,804
Total Income			
		<u>236,083,016</u>	<u>252,337,583</u>
Expenditure			
Employee benefits	4	326,077,882	581,426,505
Other expenses	5	50,963,119	46,181,423
Total Expenditure			
		<u>377,041,001</u>	<u>627,607,928</u>
Surplus/(Deficit) for the Year		<u>(140,957,985)</u>	<u>(375,270,345)</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Notes	2010 ZMK'000	2009 ZMK'000
ASSETS :			
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	58,771,697	46,416,011
Investments	7	1,554,347	1,554,347
		<u>60,326,044</u>	<u>47,970,358</u>
CURRENT ASSETS			
Inventory	8	941,220	1,119,974
Accounts Receivable	9	87,178,128	83,565,393
Cash and Bank balances	10	35,995,746	52,302,212
		<u>124,115,094</u>	<u>136,987,579</u>
TOTAL ASSETS		<u>184,441,138</u>	<u>184,957,937</u>
FUNDS AND LIABILITIES:			
FUNDS AND RESERVES			
Capital Grants		2,534,876	2,534,876
Revaluation Reserves		2,993,304	2,993,304
Deficit in accumulated reserves		(805,691,649)	(664,733,664)
		<u>(800,163,469)</u>	<u>(659,205,484)</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	11	17,813,141	-
CURRENT LIABILITIES			
Staff creditors	12	628,631,814	562,284,580
Other payables	12	263,724,525	220,104,502
Borrowings	13	74,435,127	61,774,339
		<u>966,791,466</u>	<u>844,163,421</u>
TOTAL FUNDS AND LIABILITIES		<u>184,441,138</u>	<u>184,957,937</u>

.....
Council Chairperson

.....
Vice-Chancellor

STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 DECEMBER 2010

	Capital Grants K'000	Revaluation Reserves K'000	Accumulated Reserves K'000	Totals K'000
Balance at 1st January 2009	2,534,876	2,993,304	(289,463,319)	(283,935,139)
Deficit for the year	-	-	(375,270,345)	(375,270,345)
Balance at 1st January 2010	2,534,876	2,993,304	(664,733,664)	(659,205,484)
Deficit for the year	-	-	(140,957,985)	(140,957,985)
At 31 December 2010	<u>2,534,876</u>	<u>2,993,304</u>	<u>(805,691,649)</u>	<u>(800,163,469)</u>

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 K'000	2009 K'000
Net cash flows from operating activities		
Deficit for the year	(140,957,985)	(375,270,345)
(Increase in inventory	178,754	(492,138)
(Increase) in accounts receivable	(3,612,736)	(16,338,917)
Increase in accounts payable	122,628,046	435,840,987
Net cash inflow/(outflow) from operating activities	<u>(21,763,921)</u>	<u>43,739,586</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(12,355,686)	(13,769,538)
Net cash flows used in investing activities	<u>(12,355,686)</u>	<u>(13,769,538)</u>
Net cash in/(out) flows before financing	<u>(34,119,607)</u>	<u>29,970,048</u>
Cash flow from financing activities		
Movement in capital value of borrowings	17,813,141	-
Net cash flows from financing activities	<u>17,813,141</u>	<u>-</u>
Increase/(Decrease) in cash equivalents	<u>(16,306,466)</u>	<u>29,970,048</u>
Analysis of cash and cash equivalent as shown in the balance sheet	2010 K'000	2009 K'000
Cash and Bank balances (note 10)	35,995,746	52,302,212
		(16,306,466)
	<u>35,995,746</u>	<u>52,302,212</u>
		<u>(16,306,466)</u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The University of Zambia ('The University') was established by the University of Zambia Act of 1965. The University Act No 11 of 1999 is the current legal framework under which The University is governed. The address of its registered office is Plot LUS/5005, Great East Road, Postal Box 32379, Lusaka.

The principle activities of the University are to:

- a. Provide university education, promote research and advancement of learning;
- b. Disseminate knowledge and, without discrimination, to hold out to all persons, who meet all the stipulated academic or professional qualifications the opportunity to acquiring university education;
- c. To provide facilities, appropriate to a university of the highest standing, for the pursuit of learning and research and for the acquisition of both liberal and professional education, which is responsive to the needs of Zambia;
- d. To make those facilities available to persons equipped to benefit from the use of the facilities on such terms and conditions as Council may determine.

In addition to being a learning institution, The University is involved in farming and other investment activities.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of representation

The financial statements of the University have been prepared under the historical cost convention. The preparation of financial statements in conformity with the

IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in notes.

2.2 Foreign currency translation

(a) Functional and Presentation Currency

The financial statements are presented in Zambia Kwacha (ZMK), which is the University's functional and presentation currency.

(b) Transactions and balances

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

2.3 Revenue recognition

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the activities, as described below.

(a) Government grants

Grants from the government are recognised at their fair value in the Income and expenditure account where there is a reasonable assurance that the grant will be received and the University has complied with all attached conditions. Grants received where the University has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are shown separate in the Income and expenditure account.

Non-recurrent grants

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. The grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset at the same rate as the depreciation charge on the asset for which the grant was awarded.

(b) Academic Fees

Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

(c) Other Income

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or to the extent that the terms of the contract have been satisfied.

2.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The University adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income and expenditure account, during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The following depreciation rates are approved by Council:

Land and building	2%
Furniture and equipment	25%
Motor vehicles	25%
Library books	10%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/ (losses) – net' in the statement of comprehensive income.

Donated assets

The University receives benefits in kind such as gifts of equipment and property. Items of a significant value donated to the University, which, if purchased, the University would treat as tangible assets, are capitalised at their current value and depreciated in accordance with the policy set out above. The value of the donation is treated as a deferred capital grant.

Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.6 Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. **Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.**

2.8 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.9 Trade and other payables

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.10 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when:

- the University has a present legal or constructive obligation as a result of past events;
- it is probable that a transfer of economic benefits will be required to settle the obligation; and

- the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.11 Employee benefits

(a) Pension Obligations

The University operates a defined benefits scheme for employees on pensionable conditions of service with Zambia States Insurance Corporation. A defined contribution scheme is a pension plan under which the University pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior years. The University's contribution to the defined contribution schemes are charged to the income statement in the year to which they relate. The University has no further obligation once the contributions have been paid.

The University and all its employees also makes contributions to the State defined contributory benefit pension scheme, National Pension Scheme Authority, 'NAPSA', on behalf of the employees. NAPSA requires that the University pays an amount equal to the employee's contributions. Employees contribute 5% of their gross earnings up to a statutory ceiling (K491,481.80 during 2010).

(b) Provision for leave

Provisions for leave pay are made in respect of all staff. Leave days are provided for up to the maximum leave days allowed under the conditions of service.

3.0 Income

Income represents recurrent expenditure grants from the Government of the Republic of Zambia together with fees for tuition, boarding and lodging

	2010 K'000	2009 K'000
3.1 Grants and Fees		
Grants:		
GRZ Recurrent Grants	106,966,723	113,213,947
GRZ Rehabilitation & Sector Pool Funds	6,500,000	10,000,000
GRZ Grants for Outstanding Bills	1,335,301	22,682,407
Sub-total of Grants	<u>114,802,024</u>	<u>145,896,354</u>
 Academic fees:		
Full time tuition	62,198,845	66,646,681
Extension and Distance studies tuition	16,200,964	8,759,827
Post graduate tuition	9,938,711	6,286,500
Accommodation fees	2,338,713	3,827,319
Other student fees	5,169,280	5,218,098
Sub-total of Academic fees	<u>95,846,513</u>	<u>90,738,425</u>
 Total	<u>210,648,537</u>	<u>236,634,779</u>
 3.2 Other Income		
Research and Consultancy	7,695,715	7,852,342
Business Venture Income	2,747,519	2,695,041
Rental Income	335,513	2,031,882
Conference Income	72,123	18,510
Project grants and donations	12,147,744	1,306,525
Interest Received	21,620	16,827
Foreign Exchange gains	-	16,731
Printing and Photocopying	18,919	342,152
Publications	35,466	131,957
Other Sundry Income	2,359,860	1,290,837
Total	<u>25,434,479</u>	<u>15,702,804</u>

	2010	2009
	ZMK'000	ZMK'000
4. Employee benefits		
Salaries	148,085,320	123,213,201
Terminal Benefits and Gratuity accrued	85,056,890	375,618,515
Allowances	98,577,013	<u>82,594,791</u>
	<u>331,719,223</u>	<u>581,426,507</u>
5. Other expenses		
Instructional expenses	5,641,340	4,044,107
Research and Consultancy	7,116,579	4,222,858
Interest on loan/penalties	7,058,915	5,722,582
Foreign exchange loss/(gain)	4,249,496	-
Business venture costs	1,187,657	677,180
Office expenses	773,731	3,177,254
Communication expenses	2,121,363	2,563,260
Public relations expenses	822,472	402,697
Equipment and Furniture maintenance	1,618,995	672,266
Printing and computer accessories	849,060	1,727,438
Motor vehicle expenses	3,458,090	2,525,947
Catering meetings/ceremonies	4,125,352	1,086,405
Property maintenance/repairs	9,855,498	11,951,135
Staff training costs	-	4,217,936
General admin and support expenses	2,084,572	3,190,357
	<u>50,963,120</u>	<u>46,181,423</u>

6. Property Plant and Equipment

	Land and Buildings	Work in Progress	Furniture & Equip	Motor Vehicles	Library Books	Total K'00
	K'000	K'000	K'000	K'000	K'000	
Cost/valuation						
At 1 January 2009	4,382,663	-	22,111,025	5,569,105	583,680	32,646,
Additions	8,918,682	-	3,847,396	1,003,460	-	13,769,
Transfer	(3,156,949)	3,156,949	-	-	-	-
At 1 January 2010	10,144,396	3,156,949	25,958,421	6,572,565	583,680	46,416,
Additions	5,627,460	-	4,966,810	1,508,292	253,124	12,355,
Transfer	(2,624,282)	2,624,282	-	-	-	-
At 31 December 2010	<u>13,147,574</u>	<u>5,781,231</u>	<u>30,925,231</u>	<u>8,080,857</u>	<u>836,804</u>	<u>58,771,</u>

Note: No depreciation has been provided for the assets as the valuation exercise on all tangible assets was been concluded with The Government Valuation Department.

7. Investments

	2010 K'000	2009 K'000
Government of the republic of Zambia		
7.25% 'B' local registered stock	17	17
7.25% 1989'B'registered stock	29	29
6.50% 1986/91 'B'local registered stock	501	501
6.50% 1987/92 'B'local registered stock	<u>50</u>	<u>50</u>
	597	597
Zamnet communications systems Limited	750	750
Sardanis Trust Limited		
2,000,000 'B'ordinary shares K 1 each	2,000	2,000
Unimas limited	<u>1,551,000</u>	<u>1,551,000</u>
	<u>1,554,347</u>	<u>1,554,347</u>

8. Inventory

Stationery, Production and maintenance materials	673,727	801,679
Farm, Drugs and Laborotary Consumables	237,859	283,033
Instructional materials and academic dresses	29,634	35,262
	<u>941,220</u>	<u>1,119,974</u>

9. Accounts Receivables

Staff loans and advances	2,719,739	1,321,676
Student Accounts	77,977,967	81,768,174
ZSIC - Superannuation	2,939,171	-
Sundry Debtors	<u>3,541,251</u>	<u>475,543</u>
	<u>87,178,128</u>	<u>83,565,393</u>

10. Cash and Balances

	2010 ZMK'000	2009 ZMK'000
Within Zambia - Favourable balances	36,350,633	52,559,688
- Overdrawn book balances	(354,887)	(257,476)
	<u>35,995,746</u>	<u>52,302,212</u>

The University does not maintain a formal over draft facility with any commercial bank. The negative balance above represents overdrawn Cashbook balances due to uncleared items.

11. Long Term Borrowing

ZANACO Loan	20,000,000
Less: Borrowings falling within 1 year (Note 13)	2,186,859
	<u>17,813,141</u>

The loan from Zambia Nation Commercial Bank (ZANACO) equivalent to K20 billion was received on 22nd December, 2010 under the following terms:

- (i) The loan is on fixed interest rate of 23% per annum for the period of 5 years starting from the above date;
- (ii) The bank has lien on Main Account and Bursaries Account held at ZANACO Cairo Road Business Centre in Lusaka; and
- (iii) The loan was for the purpose of settling the outstanding remittances for the Superannuation Pension Scheme with Zambia State Insurance Corporation (ZSIC).

12. Accounts Payables

	2010 ZMK'000	2009 ZMK'000
Staff Payables:		
Retirement Benefits	528,623,415	482,077,698
Contract Gratuities	90,447,638	70,597,944
Other Personnel related payables	9,560,760	9,608,938
	<u>628,631,813</u>	<u>562,284,580</u>
Other payables		
PAYE	242,940,047	193,128,763
Superannuation	-	20,179,853
Staff Housing Scheme	1,563,986	1,756,663
Other	19,220,492	5,039,223
	<u>263,724,525</u>	<u>220,104,502</u>

13. Borrowings

	2010 ZMK'000	2009 ZMK'000
Government of the Republic of Zambia (GRZ)	72,248,268	61,774,339
ZANACO Loan - falling within 1 year (Note 11)	2,186,859	-
	<u>74,435,127</u>	<u>61,774,339</u>

The loan from the Government of the Republic of Zambia (GRZ) equivalent to US 2.2 million was received on 1 April 1993 under the following terms:

- (I) The Loan together with interest thereon to have been repaid by 31 March 1994;
- (ii) The interest at the London Inter Bank offered rate (Libor) accrues on a daily basis on the amount outstanding from the first day of the month following that in which disbursements are made;
- (iii) Penalty interest of 10% accrues on any principal and interest that remains unpaid on due dates; and
- (iv) The loan was for the purpose of purchasing Mbanga and Kashima Farms (York Farm) managed by Unimas Limited (**see Note 7**).

14. Financial Instruments

Financial Assets

The University's principal financial assets are GRZ bonds, bank balances and; and trade receivables. They are included in current assets when maturity is within twelve months of balances sheet date or non-current assets maturities greater than twelve months.

Financial Liabilities

The University's financial liabilities are trade and other payables. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

15. Financial Risk Management

(a) Currency Risk

Certain bank balances are denominated in foreign currencies and therefore lend to a risk of fluctuation of value due to changes in foreign exchange rates.

(b) Cash Flow Risk

The University is exposed to risk that future cash flows associated with monetary financial instruments will fluctuate in amounts. It has no instruments that include floating interest rates.

16. Capital Commitments

There were capital commitments of **K9.3m** as at 31 December 2010 towards the following building constructions:

- (I) Students Hostels at Great East Road Campus;
- (ii) Student Hostels at Ridgeway campus; and
- (iii) Class rooms and Offices for Environmental Health Unit at Ridgeway Campus.

17. Events Subsequent to Balance Sheet Date

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