



Botswana Open
University

Inspire Tomorrow, Today

Integrated **Annual Report** **2022 - 23**



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University
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Integrated **Annual Report**



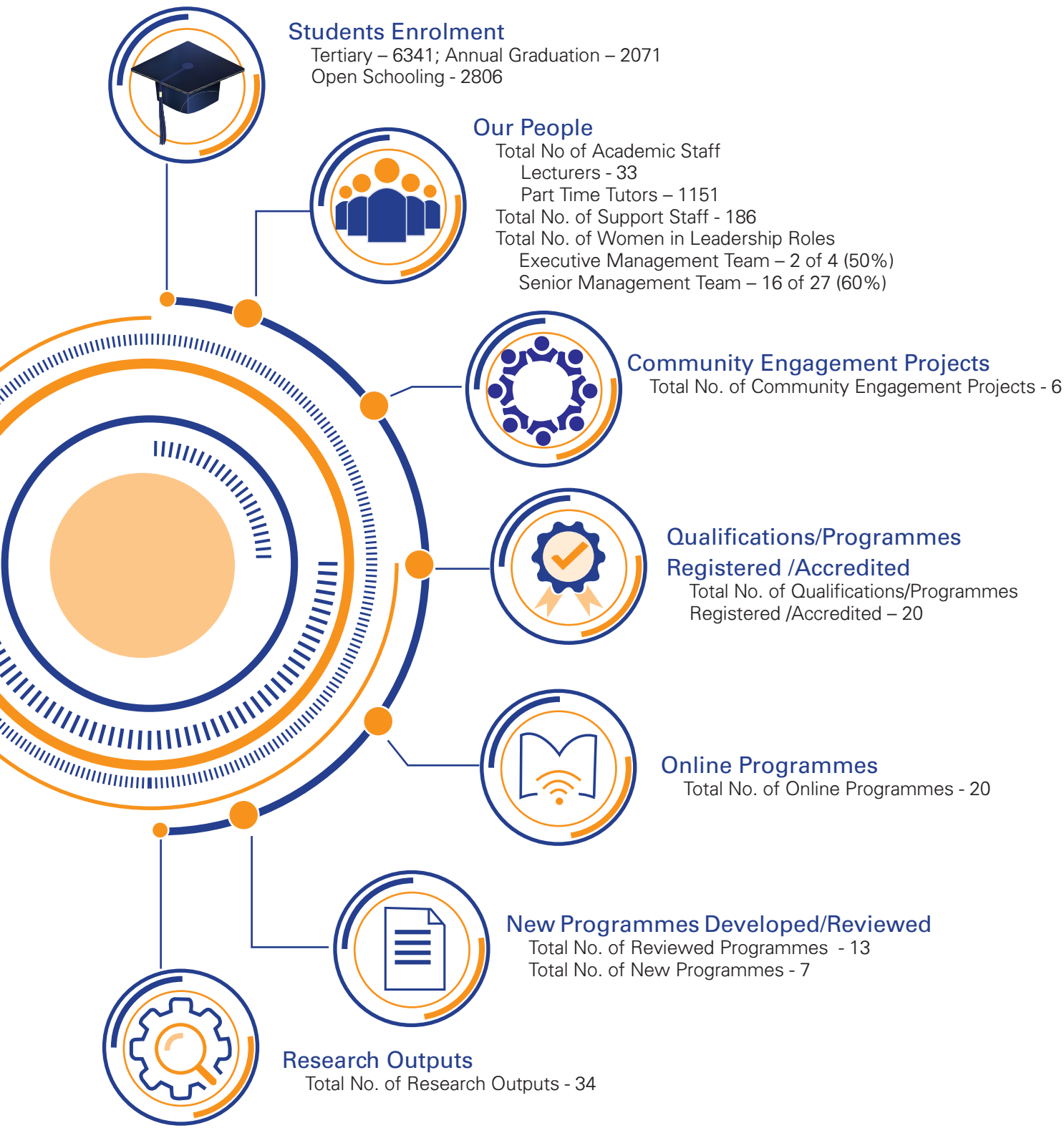
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List of Acronyms

- APPOAC** - Academic Policy Programmes and Quality Assurance Committee
- BLC**-Botswana Library Consortium
- BOTSREN** - Botswana Research and Education Network Society
- BOU** – Botswana Open University
- BQA** - Botswana Qualifications Authority
- COL** - Commonwealth of Learning
- CTELT** - Center for Teaching, Enhanced Learning and Technology
- CVET** - Certificate in Vocational Education and Training
- DEASA** - Distance Education Association of Southern Africa
- EMT** - Executive Management Team
- LIBSENSE** - Library Support for Embedded NREN Services and E-infrastructure
- LMS** – Learning Management System
- MESD**- Ministry of Education and Skills Development
- MKCT** - Ministry of Knowledge, Communication and Technology
- ODeL** - Open Distance e-Learning
- PCF** - Pan Commonwealth Forum
- PPRA** - Public Procurement Regulatory Authority
- SMT** - Senior Management Team
- STELTASS** - Strategy for Technology-Enhanced Teaching and Learning and Student Support
- WACREN** - West and Central African Research and Education Network

BOU AT A GLANCE





FOREWORD BY THE CHANCELLOR

We, the Botswana Open University, present this Report to our stakeholders. The Report covers the performance for the year 2022 – 2023. The year has been very difficult and challenging, given the economic hardships the country is going through, which have equally directly affected the financing of institutions dependent on Government subvention such as the Botswana Open University. In response, the University adopted several cost containment strategies and measures which to a large extent have helped the University to remain afloat despite the financial hardships. I strongly wish to commend the leadership of Botswana Open University for this demonstration of resilience and responsiveness to these and other emerging challenges. Testimony to this is the achievement of the Strategic Objectives set at the commencement of the year. This Report elucidates the performance of the various objectives.

It is also pleasing to note that the University has just come to the end of the first phase of the Strategic Framework, 2036. The Framework is

a 4-step journey to BOU becoming a “Globally Recognised Open University by 2036”. The theme for the first phase of this Framework was “A Technology Enhanced Open University”. I have no doubt that the University has achieved this goal. Indeed most of the University programmes and services are offered through the use of technology. The University will in the next year embark on the second phase which is themed “An Inclusive Open University”. I therefore implore all relevant stakeholders to join the BOU family in ensuring the attainment of inclusivity.

One of the greatest achievements this year is the role played by the Botswana Open University in winning the bid for Botswana Government to host the Pan Commonwealth Forum 11 Conference (PCF 11) in 2025. The University has been tasked with the planning and implementation of the PCF 11 on behalf of the Ministry of Education and Skills Development (MESD). The Pan Commonwealth Forum takes place every three years under the auspices of the Commonwealth of Learning (COL), an organisation whose

formation and commissioning was sanctioned by the Commonwealth Heads of State in 1987 to use distance learning and technologies for expanding access to education and training in the Commonwealth. I wish to congratulate the University for this achievement. This in my view, is a clear testimony that being a globally recognised university is more than attainable. This is the third time that this conference, in its many years of existence, has come to Africa and it is being held in Botswana for the first time. This is highly commendable.

I want to conclude my message by congratulating BOU Council, for providing sound strategic leadership in steering the University to this level of achievement amid the prevailing economic challenges.

It would be remiss of me, if I did not recognise the efforts of BOU Staff as a whole. Nothing could have been accomplished without their meritorious contribution. It is through their innovative inclination, collective effort, and dedication that the University has been able to grow. I urge Staff to be cognisant of the fact that the University is here for the betterment of every Motswana and the improvement of life in the global space.

Prof Sheila Dinotshe Tlou
Chancellor

ABOUT THE INTEGRATED ANNUAL REPORT

Our Integrated Report is developed in terms of the International Integrated Reporting Framework. It is informed by the University's Vision, Strategic Framework, Strategic Plan and Corporate Governance Principles. The University is committed to continue making improvements in integrated reporting over the years.

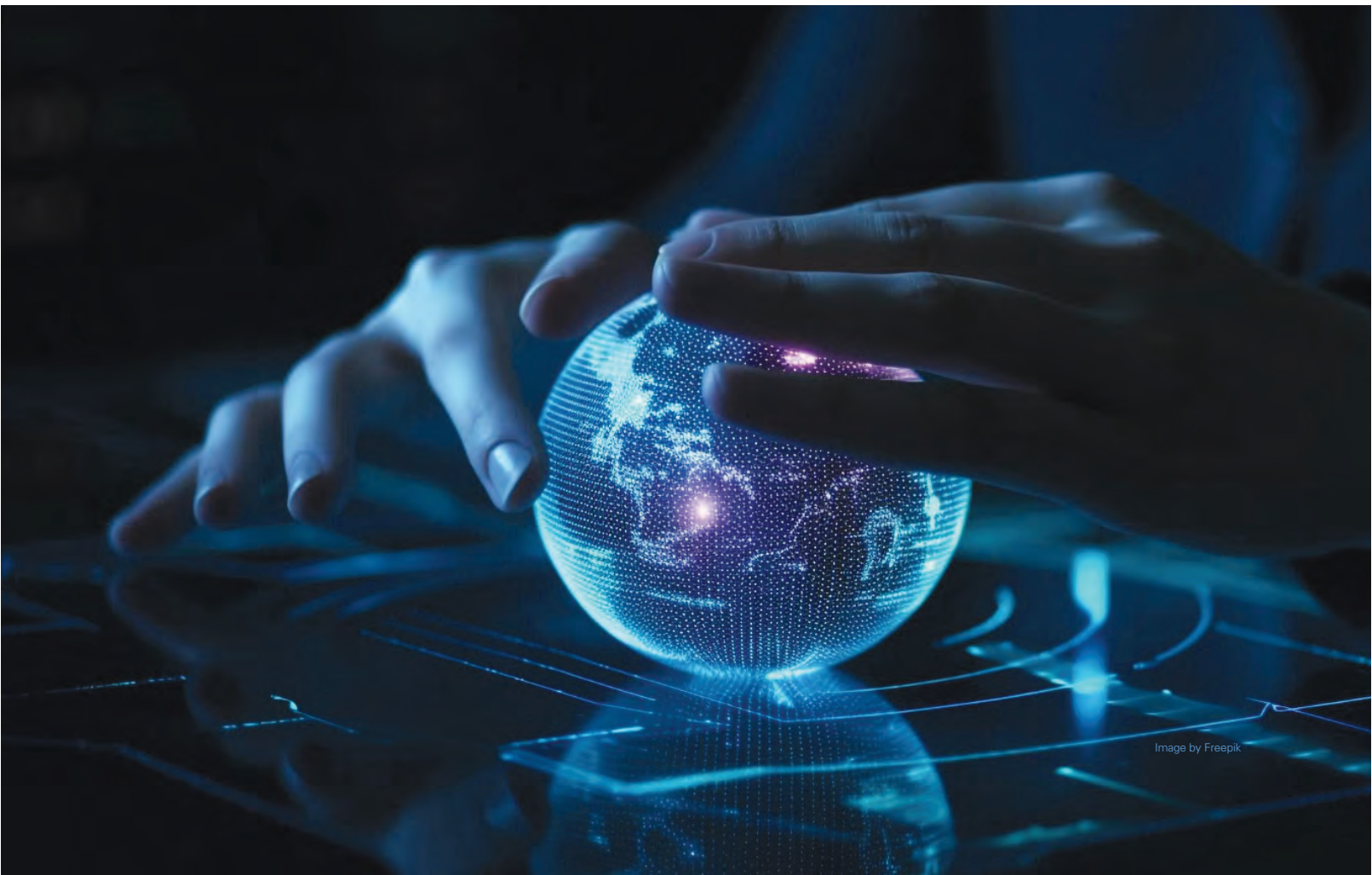
Scope

The Report covers operations over the reporting period from the 1st April 2022 to the 31st March 2023. The Report contains financial data regarding our operations over the financial year, strategic performance and a story on value-addition. There are also customised reports by the Chancellor (describing the context in which the University operates) and the Chairperson of the University Council (describing the Council's governance over the period). The Vice Chancellor reports on the University's strategic priorities and achievements.

The Report also describes how the University has used different capitals to create value in the short, medium and long term. This focus on value creation accords with the principles provided by the *International <IR> Framework* of the International Integrated Reporting Council (IIRC), which provides that "communication about value creation should be the next step in the evolution of corporate reporting".

Approving the Annual Report

The production of the Annual Report is a statutory requirement in terms of the Botswana Open University Act, No 13 of 2017. The Act requires the submission of an Annual Report within six (6) months of the end of the Financial year to the Minister of Education and Skills Development, which is by 30th September of every year. Council approves the Report for publication and submission to the Minister.



ABOUT BOTSWANA OPEN UNIVERSITY



Our Purpose

Botswana Open University derives its purpose from the Act of Parliament which promulgated its existence. The primary purpose of BOU is to provide quality education through Open and Distance Learning.



Our Vision

To Inspire Excellence and Present Life-Long Learning Opportunities Globally.



Our Mission

To provide quality academic programmes and services through teaching and learning, research and innovation, and community engagement for a prosperous knowledge-based society.



Our Values

- Excellence
- Student-centredness
- Equity
- Integrity
- Academic Freedom
- Accountability
- Collegiality
- Compassion

OUR BUSINESS MODEL

BOU is an Open and Distance Learning Institution. It operates through five Regional Campuses strategically located in five major regions namely Gaborone (Southern), Francistown (North-East), Kang (Kgalagadi), Maun (North-West) and Palapye (Central) in order to promote access to students. The University focuses on its key stakeholders and how to satisfy their needs by means of value-adding activities such as the effective delivery of academic programmes, research, effective engagement with stakeholders, and good corporate governance. The University thrives on partnerships in collaborations that enable its delivery of the mandate.





WHAT WE DO

- Teaching and Learning
- Curriculum Development
- Programme Development
- Research and Innovation
- Continuing Professional Development
- Community Engagement

OUR STAKEHOLDERS

- Government (Shareholder)
- Governing Body
- Staff
- Students
- Donors
- Partners
- Research foundations
- The Community (civil society, non-governmental organisations, industry, other universities, schools, advisory councils, service providers and the media).



CORPORATE GOVERNANCE



STATEMENT BY THE CHAIRPERSON OF COUNCIL

The year 2022-23 has been characterised by among others, fiscal challenges due to a reduction in government subvention precipitated by the effects of the COVID-19 pandemic and the current geographical conflicts and struggles. This year, the government subvention to BOU was P117 million, which accounts for 80% of the University's budget. To make ends meet, the University had to suspend some of the key operations as well as capital expenditure. This financial situation threatened the going concern and sustainability of the institution.

In order to address the fiscal challenge, implementation of the two critical instruments namely the Asset Utilisation Plan and the Cost Containment Plan commenced. These instruments are intended to assist the University in the effective use of assets to generate and maximise revenue and to embed a sustainable cost control culture in the institution aimed at reducing expenses in operations.

It is noteworthy that this year was the final year of the first phase (the 2019-2023 Strategic Plan) of the 2036 Strategic Framework. Therefore BOU looks forward to the development of the second phase spanning the period 2023-2028. A reflection

on the performance of the 2019-2023 Strategic Plan culminated into the following implications that the University will prioritise in the next phase of the Strategic Framework and the 2023-2028 Strategic Plan:

Teaching and Learning

- Highlighting the need to focus on internationally recognised programmes/ courses with a focus on future jobs.
- Ensuring inclusivity in programme offerings targeting the youth, women and the marginalised population

Research

- There is need to engage in impactful research activities that benefit our communities and the nation at large.

Climate Change

- The University will leverage the implementation of the Climate Change Policy in National Development Plan 12, especially the use of renewable energy, recycling and rainwater catchment.

Village Connectivity by Government

The University will leverage on the rolling out of a three-phased School Digitalisation

Plan with enhanced integration of ICT in teaching and learning.

Funding

- The quest for alternative revenue sources is crucial and shall be pursued.

While the University achieved a score of **87.3%** on performance in the just ended 2019-2023 Strategic Plan, the key challenges experienced which impacted optimal performance include:

- Funding of BOU operations, given the subvention cuts.
- The impact of online assessments on academic integrity.
- A less than optimal student information management system that presents challenges in the University's admission and enrolment processes.
- Low research uptake by Staff.
- Increasing competition arising from high uptake of online learning by conventional learning institutions.

The University will develop measures to address these issues in readiness for the next Strategic Plan.

I want to thank the Vice Chancellor and his Executive Management Team for steering the University so effectively in such challenging times. I also want to appreciate the Staff Members for their loyalty, continued resilience and commitment to executing the mandate during this trying time. I look forward to the development of the 2023-2028 Strategic Plan as Council continues to provide oversight and strategic direction to the University.

Mr Charles Coyne II
Chairperson of Council



STATEMENT BY THE VICE CHANCELLOR



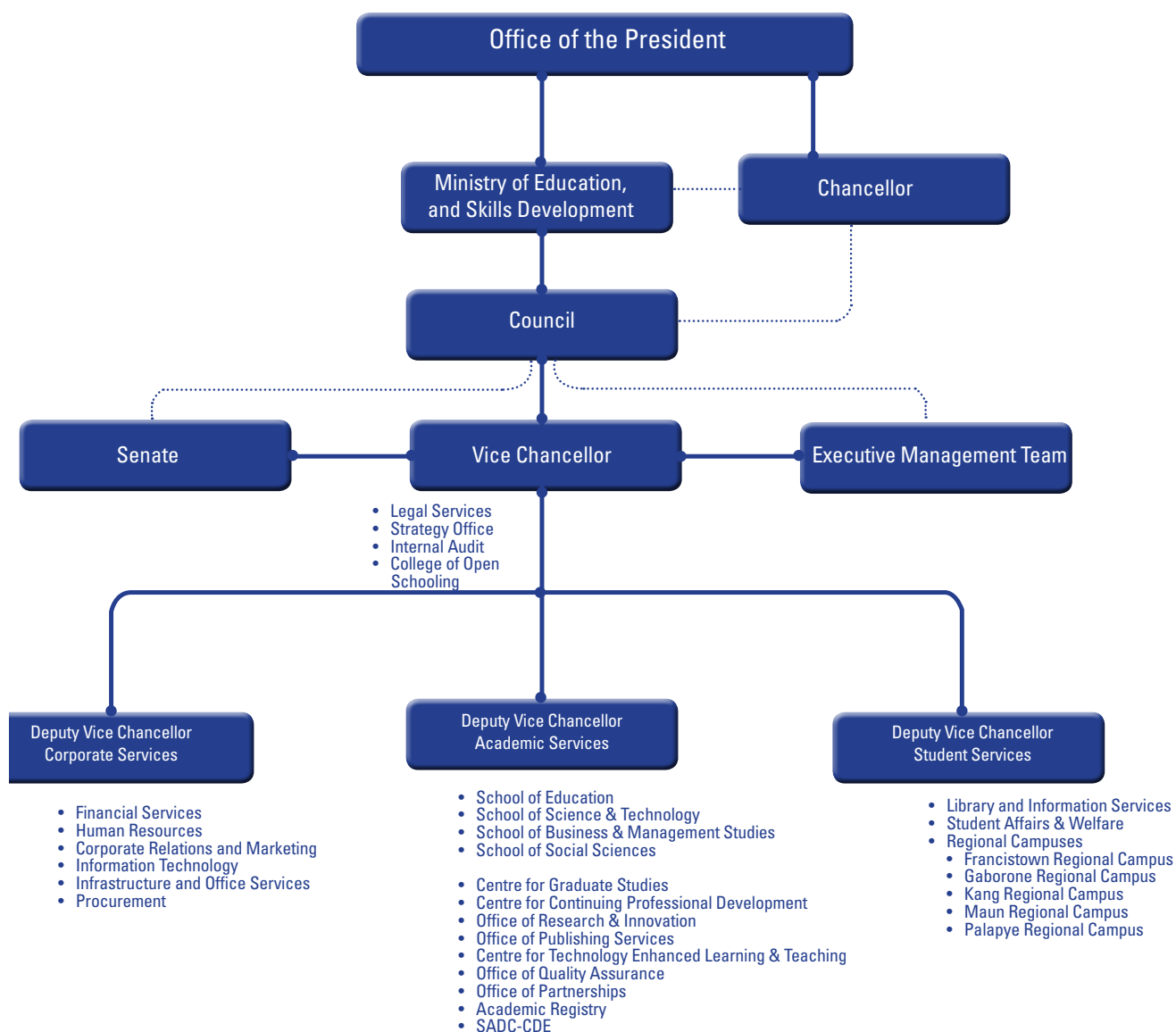
The report under review showcases the performance of the institution in 2022-23 which represents the fourth and final year of implementing the 2019-2023 Strategic Plan within the scope of the BOU 2036 Strategic Framework. I should hasten to observe, however, that the University continues to face dire financial challenges which have compromised the robustness of its efforts to drive processes towards the achievement of set targets. For example, lower enrolments were registered relative to the targets for two years following the COVID-19 pandemic. Tracer surveys have indicated that most of the students who secured admission into BOU programmes and failed to enrol were facing financial challenges. The University has since opened enrolment for new intake in Semester Two that targets students who although admitted in Semester One have not registered. Few students took up the opportunity but it is hoped that this will improve as we continue to avail this avenue.

This Annual Report, however, validates the resilience of the University in delivering on critical targets and initiatives against externalities and budgetary constraints. While there was no budget for capital expenditure and very little for operations, colleagues were able to implement low financial bearing initiatives to achieve the set targets. The Report provides information on the commitments and goals which informed our annual performance for the year under review and reports on the University's performance on key areas as articulated in the scorecard. The report on the Strategy and Scorecard **page 26-29** gives more detail of the University's performance during the year.

Thank you.

Dr Daniel Tau
Vice Chancellor

OUR GOVERNANCE STRUCTURE



THE EXECUTIVE MANAGEMENT TEAM

The Executive Management Team is made up of the Vice Chancellor and the Deputy Vice Chancellors

OFFICE OF THE VICE CHANCELLOR

The mandate of the Office of the Vice Chancellor (OVC) is determined by the University's Act under direct oversight of the University Council. The Vice Chancellor serves as the Chief Executive Officer of the University responsible for providing overall leadership to the development and implementation of policies and strategies for executing the University's mandate, as well as ensuring the adherence of the University to these policies. Accountable to Council and Senate, the OVC facilitates the development of a vision and sets the goals for the University and provides effective leadership towards the realisation of vision and goals. The Office, through the subsequent structures, oversees the optimal use of resources to run the operations of the University in accordance with the direction established in the strategic plans. At the peak of its operations, the OVC is expected to lead and inspire the highest standards of knowledge creation and sharing to support the delivery of world class education and academic excellence and advance the national economic development agenda.

These support arms of the University report to the Office of the Vice Chancellor:

- ◇ Legal Services
- ◇ Strategy Office
- ◇ Internal Audit
- ◇ College of Open Schooling



Dr D. Tau
Vice Chancellor

OFFICE OF THE DEPUTY VICE CHANCELLOR ACADEMIC SERVICES

Prof K.H. Moahi



This Office is responsible for BOU's strategic goal of delivering academic excellence programmes and services to the public. These include technology-enhanced academic programmes, relevant research and innovation, and strong collaboration and partnership. The Division does this through the four Schools namely the **School of Business and Management Studies, the School of Education, the School of Social Sciences and the School of Science and Technology**. The Division works with departments and directorates which provide enhancement, support and help to ensure the quality of the operations such as the **Office of Quality Assurance** which monitors the quality of programmes by working with the Schools and the Botswana Qualifications Authority in the qualification registration and programme accreditation processes, as well as the **Center for Teaching, Enhanced Learning and Technology (CTELT)** which coordinates the technology-enhancement process of teaching and learning, using established University policies and the Moodle learning management system platform.

Furthermore, the division oversees the functions responsible for:

- ◇ Research, Innovation and Partnerships
- ◇ Office of Publishing Services
- ◇ Centre for Continuing Professional Development
- ◇ Southern African Development Community Centre for Distance Education (SADC-CDE)
- ◇ Centre for Graduate Studies
- ◇ Academic Registry

A portrait of Ms L. Lesetedi, a woman with short dark hair, wearing a black jacket with gold embroidery and a pearl necklace. She is seated at a dark table with her hands clasped.

OFFICE OF THE DEPUTY VICE CHANCELLOR CORPORATE SERVICES

Ms L. Lesetedi

The Division of Corporate Services is headed by the Vice Chancellor whose office provides strategic leadership and management in the institution's support functions to ensure adherence to good corporate governance and industry best practices. It is amongst other duties, responsible for the production and management of the institution's budget in liaison with respective departments and ensures availability of University revenue to sustain the business. It also ensures adequate manpower resourcing and recruitment, staff development and good industrial relations. The office is responsible for Procurement of the University services and products as may be necessary from time to time. It is also responsible for the provision of IT infrastructure, networks and associated systems and tools to enable and support the institution's business. It also provides infrastructure and office service solutions. Its other mandate is to reach out to prospective customers, investors and/or the community, while creating an image that portrays the institution in a positive light.

The Division effectively carries out its mission through the following Departments:

- ◇ Financial Services
- ◇ Human Resources
- ◇ Corporate Relations and Marketing
- ◇ Information Technology
- ◇ Infrastructure and Office Services
- ◇ Procurement
- ◇ Business Development

OFFICE OF THE DEPUTY VICE CHANCELLOR STUDENT SERVICES

Dr G. Gatsha



The Division of Student Services is responsible for providing university-wide holistic student support. It promotes student retention, persistence, satisfaction and success. The Division initiates, develops and delivers student support programmes. Its mandate is driven from the Office of the Deputy Vice Chancellor Student Services. However, implementation is effected through its five Regional Campuses and two Departments, namely, the Library and Information Systems, and the Student Affairs and Welfare. Its key student services and programmes are offered using online platforms with some limited face-to-face contact. Some of the services include; e-counselling, e-tutoring, shared content on google drive, e-mails, chat forums for both tutors and students and WhatsApp personalised support and group engagements and some drop-in face-to-face counselling and advice.

Under the Office of Deputy Vice Chancellor Student Services, there are Departments that contribute to the University mission and success. These are:

- ◊ **Library and Information Services**
- ◊ **Student Affairs and Welfare**
- ◊ **Regional Campuses**
 - Gaborone Regional Campus
 - Francistown Regional Campus
 - Palapye Regional Campus
 - Maun Regional Campus
 - Kang Regional Campus



THE UNIVER



Mr K. Ramoroka



Dr D. Tau
Vice Chancellor



Mr C. Coyne
Chairperson



Prof K.H. Moahi



Mr U. Ndadi



Prof B. Morolong



Prof M. E. Makoe



Mr I. Magare
Term Ended June 2022



Ms J. Bahuma
Term Ended June 2022

SITY COUNCIL



Ms F.S. Bakwena
Vice Chairperson



Ms T. Magang



Mr G. Molefe



Mr O. Masesane



Prof S. Aiyuk



Ms O. Sechele



Ms T. Nkolo
Appointed July 2022



Dr J. Agolla
Appointed July 2022

The University Council is the governing body of Botswana Open University. Council was established in terms of Section 10(2) of the BOU Act of 2017. The composition and functions of Council are as set out in the Act.

Council is committed to adhering to good corporate governance principles as set out in the King IV Code and has in this regard adopted a number of corporate governance protocols such as the Council Charter, a Code of Conduct, and a Conflict of Interest Policy. Council continues to comply with these policies.

MEMBERSHIP OF COUNCIL AND ATTENDANCE

Member	Attendance
Mr Charles Coyne (Chairperson)	7/7
Ms Festina S. Bakwena (Vice Chairperson)	7/7
Dr Daniel Tau (Vice Chancellor)	6/7
Prof Kgomotso H. Moahi	7/7
Mr Uyapo Ndadi	4/7
Mr Kgopotso Ramoroka	7/7
Mr Godfrey Molefe	6/7
Ms Tsoseletso Magang	7/7
Professor Mpine E. Makoe	4/7
Professor Sunny Aiyuk	7/7
Ms Onalenna Sechele	5/7
Mr Oupa Masesane	7/7
Professor Bantu Morolong	7/7
*Ms Tendani Nkolo	3/4
* Dr Joseph Agolla	4/4
* Ms Julia Bahuma	2/2
* Dr Ishmael Magare	2/2

*Ms Tendani Nkolo was appointed in July 2022

* Dr Joseph Agolla was appointed in July 2022

*Ms Julia Bahuma's term ended in June 2022

*Dr Ishmael Magare's term ended in June 2022

COMMITTEES OF COUNCIL

Council has constituted nine (9) Committees. The Committees were established in terms of Section 18(1) of the Act. All Committees have their mandates clearly set out in the Statutes and Committee Charters. They comprise Council members and experts appointed externally. The Committees meet on scheduled dates before every ordinary Council meeting while others are ad-hoc and sit as and when required. The established Committees of Council are as follows:

- ◇ Council Executive Committee
- ◇ Council Human Resources Committee
- ◇ Council Finance Committee
- ◇ Council Planning and Resources Committee
- ◇ Council Audit, Risk and Compliance Committee
- ◇ Senior Staff Appointments Promotions and Review Committee (ad hoc)
- ◇ Staff Appeals Committee (ad hoc)
- ◇ Joint Committee of Council and Senate (ad-hoc)
- ◇ Review Committee of Council and Senate (ad-hoc)

COMMITTEE REPORTS

HUMAN RESOURCES COMMITTEE

Role of the Committee

The Council Human Resources Committee has been constituted with the mandate to ensure that Council meets its obligations pertaining to the Human Resources Strategy and Policies, Terms and Conditions of Service, Recruitment, Industrial Relations, Staff Development and Performance Management.

Composition

The Committee comprises the following:

- Three External Members of Council nominated by Council based on appropriateness of their skills, competencies, and experience, and at least one of whom has recognised professional Human Resources

Qualifications and experience. One of the members is appointed by Council as the Chairperson of the Committee;

- One non-Council Member (not a current University staff member) who is a reputable practising professional HR expert nominated by the Council Chairperson and approved by Council;
- Vice Chancellor; and
- Deputy Vice Chancellor - Corporate Services

Membership and Attendance

Member	Attendance
Ms Festina S. Bakwena (Chairperson)	5/5
Ms Onalenna Sechele	2/5
Mr Godfrey Molefe	5/5
Dr Daniel Tau	5/5
Ms Masego Mookodi	5/5
Ms Lesedi Lesetedi	5/5

The Committee had three Ordinary Meetings and two Special Meetings during the period under reporting.

Key Areas of Focus

The Committee was seized with oversight of the Transformation Program following the completion of the Due Diligence and Organisational Redesign study. The implementation of the Plan has not been successful due to the tight financial situation of the institution. However, the Committee continued with planning so that when funds were available, implementation would commence.

Based on the dire financial situation of the University, the Committee made strategic decisions to aid the University in managing the financial situation and the deficit for the year. The following measures were instituted as a last resort, with caution as they touched on staff welfare issues, to assist in managing the deficit. These measures were approved by Council.

- Suspension of filling of positions until the financial situation improves;
- Suspension of leave encashment;
- Suspension of Performance Management Reward – Concerned Stakeholders were engaged regarding the dire financial situation of the University;
- Gratuity Provision – Suspension of voluntary encashment of gratuity;
- Suspension of staff conversion from pensionable to contract employment.

The Committee approved the revised Recruitment and Selection Policy, the revised Staff Development Policy, and the revised Safety, Health, and Environment Policy. Also planned for the year were the development of a talent Management Strategy and the review of the Performance Management System. These two could not be executed because of the lack of finances. The original plan was to have the instruments developed by external expertise. However, the Committee has re-strategised and has decided that the instruments be developed internally.

The Committee was involved in the development of the Vice Chancellor's Performance Contract for the year by providing quality assurance before signing with the Chairperson of Council.

Future Areas of Focus

Because of the lack of improvement in the financial situation of BOU, priority will be given to the rationalisation of the organisational structure to a more sustainable one. There will be a review of the Conditions of Service, review of the PMS Policy as well as the development of the Talent Management Strategy.

Execution of Mandate

The Committee is of the view that it has been able to execute its mandate for the year under reporting.

FINANCE COMMITTEE

The Role of the Committee

The primary role of the Committee is to ensure that the University's financial business is conducted efficiently, effectively, and in a manner that is consistent with international financial practices and standards. It is responsible for reviewing policies pertaining to financial management and reporting standards; determining tuition and other fees on an annual basis. Budgeting and preparation of the Financial Statements; and advising Council on matters of significant financial repercussions to the University.

Composition

The Committee is composed of the following:

- Three external Members of Council appointed by the Council based on the appropriateness of their skills, competencies and experience, and at least one of whom has recognised professional financial and/or commercial qualifications and experience. One of the members shall be appointed by Council as the Chairperson of the Committee;
- One non-Council Member (not a current University staff Member) who is a reputable practising professional Financial and/or Commercial Expert nominated by the Chairperson of Council and approved by Council;
- Vice Chancellor and
- Deputy Vice Chancellor - Corporate Services.

Membership and Attendance

Member	Attendance
Mr Godfrey Molefe (Chairperson)	4/4
Dr Daniel Tau	4/4
Mr Oupa Masesane	2/4
Ms Tsosetso Magang	3/4
Ms Lesedi Lesetedi	4/4
Mr Ralph Maganu	4/4

There was a full complement in the year under review. The Committee had three ordinary, and one special meeting during the period under reporting.

Key Areas of Focus

This was a challenging fiscal year for the University. The Ministry had effected a 5% or P6,2 million cut on the subvention. This translated to a subvention of P117,73 million. Over a three-year period, the subvention has been reduced by 15,4%, or P18,1 million. Over a four-year period from 2019/20 to date, the subvention has been reduced by 35%. The Committee closely monitored the financial performance and status of the institution to ensure sustainability.

The Committee provided oversight over the management of the finances and received Management Accounts periodically. Its oversight role in the development of the University's Budget and review thereof assisted to monitor the University's financial situation. The Committee approved a 10% tuition fee increment to boost the second stream income.

In the previous year, measures were put in place to manage the dire financial situation and implementation commenced during the year under reporting:

- Implementation of the Cost Containment Strategy which aids the containment of costs across the University commenced.
- The Asset Utilisation Plan was developed and approved. Implementation of this plan was also commenced.
- The implementation of the Business Development Strategy whose aim is to diversify revenue streams and optimise financial resources continued. The percentage of third-stream income contribution to budget for 2022/23 is 1.9%. Optimum implementation was affected by a number of challenges including among others low uptake of short courses, loss of bids and the need to renovate facilities. These challenges will be addressed to improve the third-stream income.

Future Areas of Focus

Implementation of the Cost Containment Plan, Asset Utilisation Plan and the Business Development Strategy will continue. The Committee will continue to monitor closely, the financial status of the University through the review of the Management Accounts, provide oversight over the development and careful implementation of the Budget. Tuition fees will also be reviewed. An Asset Disposal Policy will be developed.

Execution of Mandate

Notwithstanding the difficult fiscal year, the Committee is of the view that it has been able to execute its mandate. The University exercised frugal spending and suspended capital expenditure and some key University operations. The Committee has thus been able to ensure the University's sustenance amidst these challenges.

PLANNING AND RESOURCES COMMITTEE

Role of the Committee

The purpose of the Council Planning and Resources Committee is to advise Council on major strategic issues pertaining to higher-level physical infrastructure planning, including construction, maintenance, and security of physical infrastructure, disaster management, and acquisition of major assets. It is also responsible for the University's Strategic Planning and implementation thereof.

Composition

The Committee is composed of the following:

- Three External Members of Council appointed by Council based on appropriateness of their skills, competencies and experience and one of whom shall be appointed by Council as the Chairperson of the Committee;
- Vice Chancellor;
- Deputy Vice Chancellors; and

- At least one non-Council Member (not a current University staff member) who is a reputable practising professional with expertise in Master Planning and/or Capital Asset Management or Property Development nominated by the Council Chairperson and approved by Council.

Membership and Attendance

Member	Attendance
Ms Tsosetso Magang (Chairperson)	3/4
Dr Daniel Tau	4/4
Prof Kgomotso Moahi	3/4
Ms Lesedi Lesetedi	4/4
Dr Godson Gatsha	4/4
Mr Peter Moalafi	4/4
Mr Kgopotso Ramoroka	2/4
Ms Onalenna Sechele	0/4

The Committee had three ordinary Meetings and one Special Meeting during the period under reporting.

Key Areas of Focus

The Committee provided oversight over the implementation of the University's Strategic Plan. An Annual Plan for 2022-23 and the accompanying Initiatives Implementation Plan was put in place. Performance was monitored through periodic reporting on strategic objectives and initiatives set in terms of the Annual Plan. A Mid-year review on the Implementation of the University's Strategic initiatives was conducted. Through the Annual Performance Report, the Committee was able to track and monitor performance in relation to the achievement of initiatives relative to targets set in the Strategic Plan and provide direction.

A major strategic activity the Committee undertook was the commencement of the development of the Strategic Plan for 2023-2028. The process was preceded and informed by a Situation Analysis Report which reflected on the performance of the 2019-23 Strategic Plan, Stakeholder Engagement as well as External Analysis.

It is through this Committee that the University's physical infrastructure and the inventory of the physical assets have been managed. The University has approached the parent Ministry for transfer of ownership of facilities allocated for use. These include the Maun, Francistown, and Gaborone Regional Campus Plots.

Consolidation and conversion of BOU Palapye residential plots to commercial use has been granted. The application for a title deed for a plot in Maun has been submitted to the Tswana Land Board.

In an endeavour to enhance infrastructure development and management, the Physical Infrastructure Policy and the Records Management Policy were reviewed. A Disaster Management Policy was developed.

Future Areas of Focus

Areas of priority for the next financial year include:

- Finalisation and approval of the Strategic Plan for 2023-2028 and implementation thereof;
- Finalisation of the Transport Policy;
- Mid-year review of the Implementation of the Strategic Initiatives;
- Application for Transfer of Ownership of Land;
- Application for a Title Deed for the 1 Hectare plot at Maun;
- Application for a consolidated Title Deed for the Palapye Plots.

Execution of Mandate

The Committee is of the view that it has been able to execute its mandate for the year under reporting.

AUDIT, RISK AND COMPLIANCE COMMITTEE

The Role of the Committee

The main purpose of the Council Audit, Risk and Compliance Committee is to oversee the University's Audit and Risk Management activities. This includes ensuring that the University is compliant with relevant legislation, policies, codes, and standards. It is responsible for reviewing and recommending to Council, policies pertaining to risk management, compliance management, fraud and corruption detection and prevention; assisting Council in carrying out its IT governance responsibilities and ensuring IT risks are adequately assessed and addressed; reviewing the adequacy and effectiveness of internal controls, information systems, human resources practices, accounting standards and practices, financial accounting practices and auditing processes used throughout the University; recommending to Council appointment and termination of External Auditors and overseeing the external audit process; approving the Audited Annual Financial Statements; recommending the appointment and/or dismissal of the Internal Auditor and monitoring performance.

Composition

The Committee is composed of the following:

- Four External Council Members appointed by Council based on appropriateness of their skills, competencies, and experience. One of the members shall be appointed by Council as the Chairperson of the Committee.

One non-Council member (not current University staff member) who is a reputable practising professional Financial and/or Risk Management Expert nominated by the Council Chairperson and approved by Council.

Membership and Attendance

Member	Attendance
Ms Kgopotso Ramoroka (Chairperson)	3/3
Mr Godfrey Molefe	3/3
Ms Nature Mogotsi	3/3
Mr Uyapo Ndadi	2/3

The Committee had two Ordinary Meetings and one Special Meeting during the period under reporting.

Key Areas of Focus

- The Committee monitored the performance of the Internal Auditor. The Internal Auditor was granted a new contract of employment by Council on recommendation of the Committee during the year. An Internal Audit Plan was approved.
- Oversight and direction over risk management was provided. The Key risks prioritised for the year were monitored and the internal controls were implemented. The Committee monitored the University's risk profile to ensure risk incidents do not materialise into major risks. The Internal Auditor provided assurance that the risk management process was adequate.

In terms of the monitoring of the University's compliance and regulatory requirements, the Committee received updates on new legislation to ensure compliance. A Compliance Policy which sets how compliance is approached and managed was developed and approved by Council.

The Committee approved the Audited Annual Financial Statements. Oversight was

provided over the external audit process. The Committee monitored implementation of the recommendations made on issues identified to ensure they were closed.

The Committee provided direction over the development and/or review of the following governance protocols:

- Review of the Internal Audit Charter
- Review of the Conflict of Interest Policy
- Review of the Council Code of Conduct
- Review of the Risk Management Framework
- Development of the University's Compliance Policy

Future Areas of Focus

The Committee will continue to provide oversight on risk management and advise Council accordingly; monitor compliance with legislation, provide oversight over the Internal Audit function and External Audit. It will consider the Audited Annual Financial Statements, approve the Internal Audit Plan, and monitor performance on the same.

To enhance compliance and performance, the Committee will review the Council Committee Charters, provide direction over the development of the University's ICT Governance Framework, and monitor the Corrective Action Plan to ensure external audit findings are properly addressed and closed.

Execution of Mandate

The Committee is of the view that it has been able to execute its mandate for the year under reporting.

Council Sitting Allowance Rates

*Council has been rated as Category B

*The rates indicated are before withholding tax of 10%

*The rates are prescribed by the Minister of Finance

Sitting Allowance Rate Per Meeting	
Chairperson	P1687.14
Vice-Chairperson	P1349.71
Member	P1349.71
Co-opted Committee Experts	P1349.71
Transport (out of Gaborone residents)	2.75/km



OUR PERFORMANCE

STRATEGY AND SCORECARD

Our Strategic Foundations

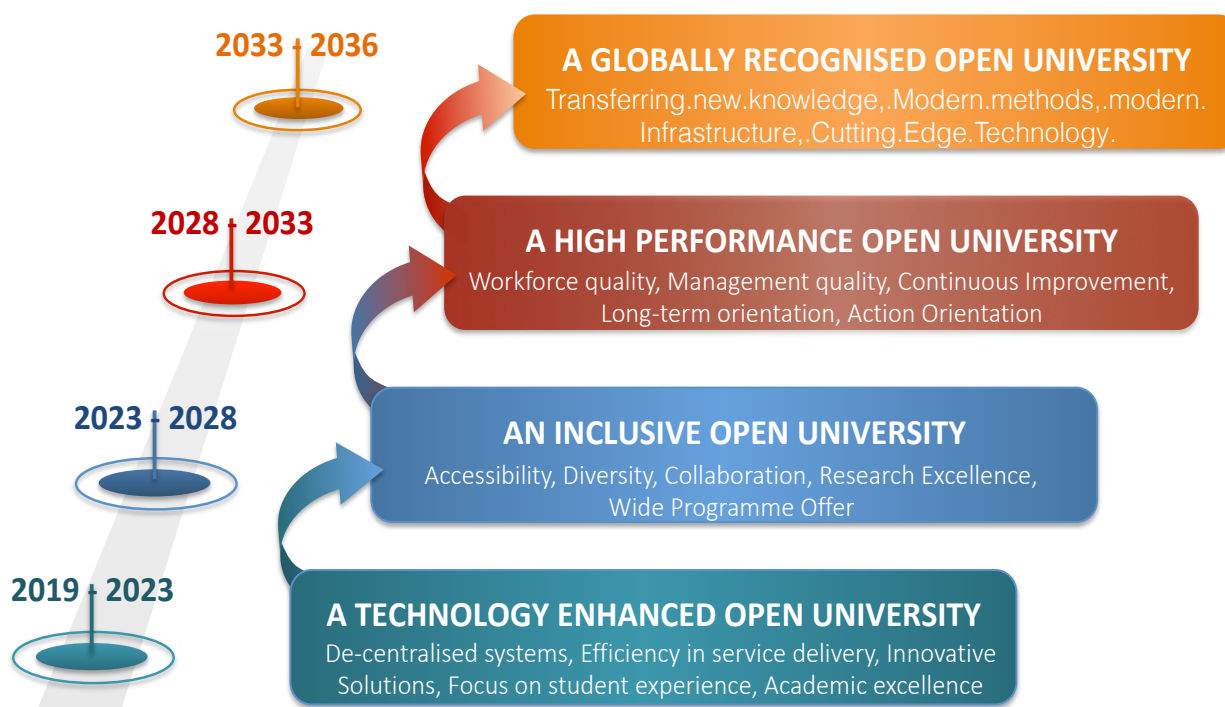
BOU 2036 Strategic Framework - “Towards Global Recognition”

Broad Thematic Areas - To achieve the BOU Mission and Vision the University focuses on five core themes that guide our path to 2036 namely:

- Learning & Teaching – the BOU Experience;
- Student and Stakeholder Engagement;
- Research, Innovation and Sustainable Development;
- Open Education, Entrepreneurship and Employability and
- Governance and Leadership.

BOU 4-Step Passage to 2036

The graphic below depicts the stages to be taken by BOU towards reaching the 2036 vision of being a Globally Recognised Open University. These stages are broken down into a series of strategic plans, the first being the 2019-2023 plan. It is the performance of this plan that is covered in this report.



BOU 2019-2023 Strategic Plan

Purpose and Direction – The BOU 2019-2023 Strategic Plan defines the University's 4-year Vision, Mission, and Strategic Intent to guide the foundational tenets of the journey to 2036.

Vision Statement -To inspire excellence and present lifelong learning opportunities globally.

Mission Statement - To provide quality education, research, and community engagement through open and distance learning solutions.

Strategic Intent - By 2023 BOU will be an innovative open university recognised for its technology-enhanced programmes, relevant research, and societal impact.

The Strategic Sub-Themes

- Academic Excellence
- Superior Student Experience
- Strong Collaboration and Partnerships
- Strong Institutional Capability and Operational Excellence

The 2022-23 Performance

The Botswana Open University uses the Balanced Scorecard (BSC) model as the guiding tool for planning, implementing, and tracking performance on the strategic plan. The model revolves around four perspectives of planning; a) the Stakeholders perspective; b) the Internal Processes perspective; c) the Learning and Growth perspective; and d) the Financial perspective. Below is a summary of the performance of the year under review:

Student/Stakeholder

The year 2022-23 marks the fourth and final year for evaluating progress with regards to students and stakeholders' response to BOU programmes and services. The outbreak of COVID-19 at the turn of the year 2020 remains a hallmark for accelerating the implementation of the BOU's strategic intent on technology enhancement. While the University realised an abrupt increase

in students' enrolment at tertiary level in the year 2020/21, the subsequent two years registered a slight decline. A tracer survey was done to appreciate the reasons for low registration, and it was observed that most candidates who could not register were hard-hit by the effects of COVID-19 financially. Nonetheless, for the year under review, a total of **6341** students enrolled for tertiary level programmes out of which **2879** were new students. A throughput of **2071** was achieved for the year. While the throughput is significantly lower than that of the previous year, it represents **96%** of the target as set out in the strategic plan. Going forward, the University intends to step up its recruitment drive to increase enrolments.

Owing to the severe budget cuts, a decision was made to drastically reduce the Open Schooling enrolment targets from **10 000** to **3 000**. The decision emanated from the fact that the Open Schooling programmes were offered free of charge while activities such as the engagement of Tutors, and the administration of examinations were costly. Of the 3 000 that were targeted, **2806** enrolled for the year under review. Continued engagements are going on between the University and the Ministry of Education and Skills Development to find sustainable ways of funding the activities of Open Schooling.

Internal Processes

For the year under review, the University maintained its decision to have all sessional tertiary level teaching and assessments done online. However, several challenges were experienced with implications on the integrity of online assessments. Efforts are underway to review the model of assessments in a bid to come up with more viable measures of managing both formative and summative assessments.

A decision was made at the beginning of the planning year that, due to budgetary constraints, no infrastructural developments would be done until the financial situation improved. The University prioritised non-financial initiatives and projects to drive internal processes to achieve the set targets. For example, meetings, graduations and other engagements were mostly held virtually to cut down the costs.

Regarding the University's quest for increased programme menu, only one programme was added to the set of choices – Bachelor of Technology (Information Systems). The regulatory body continues to lag in terms of progressing proposals for accrediting new programmes. The University looks forward to diversifying the programme menu to address industry needs, ensure increased enrolments and generate second stream revenue.

Ever since the relaxation of the COVID-19 restrictions, academic staff was able to organise and participate in several research activities. The research output for the year has improved significantly. Virtual research workshops and colloquia have been held in a bid to build research capacity as well as create a platform for researchers to share knowledge and experiences.

Other major initiatives of the University's transformation programme such as process reengineering and systems review were taken on board albeit at a slow pace due to budgetary constraints.

People and Learning

The University experienced a major shake-up with respect to staffing, where seven (7) Directors were not granted new contracts precipitated by the dire financial situation. This led to a series of acting appointments for the resultant vacant positions in the hope that the financial situation would improve. The staff attrition rate has also increased - with three (3) officers resigning in the same year.

Finance

The 3rd stream revenue collected for the year under review **(1.9%)** is far less than the target **(4%)**. The University continues to explore alternative ways of making money to augment the subvention that comes from Government. Moreover, it seeks to exercise cutting edge stewardship through strict adherence to both the Cost Containment and Asset Utilisation Plans that are currently under implementation. The Business Development Strategy and Plan are also key.



CORPORATE SCORECARD DASHBOARD 2022/2023

Strategic Objective	Performance Measure	2021/22 Baseline	2022/23 Targets	2022/23 Achieved	Performance Status
STUDENT/STAKEHOLDER					
Increase Student Enrolment, Success and Employment	C1.1 Enrolment (TER)	6481	7420	6341	85%
	C1.1 Enrolment (OS)	12105	3000	2806	94%
	C1.2 Completion(TER)	2964	2150	2070	96%
	C1.2 Completion (OS)	12529	3000	3078	103%
	C1.3 BGCSE Pass Rate	95%	95%	94%	99%
	C1.4 JC Pass Rate	77%	90%	70%	77%
	C1.5 Employment Rates	80%	90%	80%	80%
Increase and Maintain Value Adding Partnerships	C2.1 No. of strategic partners on-boarded	4	4	4	100%
	C2.2 Value addition analysis	Reviewed			
Increase Student and Stakeholder Satisfaction	C3.1 Stakeholder satisfaction score	79%	80%	81%	101%
	C3.2 % Student satisfied	73.6%	75%	70%	93%
OVERALL PERFORMANCE (Student/Stakeholder)					93%
INTERNAL PROCESSES					
Strengthen Infrastructure and Facilities	P1.1 Completion of Master Plan	-	-	-	-
	P1.2 % Implementation of Planned Projects	-	95%	-	-
Diversify Academic Programmes	P2.1 No. of BQA Accredited TER Programmes	20	25	20	80%
	P2.2 No. of CPD Programmes	12	10	14	140%
Enhance Marketing and Branding	P3.1 Brand Perception Index	80%	85%	80%	94%
Institute Strategic use of Technology	P4.1 % Level of Automation	-	90%	30%	33%
	P4.2 % Online Programmes	100%	90%	100%	111%
Enhance Corporate Governance	P5.1 Governance Score	64%	95%	64%	71%
Enhance Research Capability	P6.1 No. of Research Outputs	19	40	34	85%
OVERALL PERFORMANCE (Internal Processes)					88%
PEOPLE & LEARNING					
Cultivate a High Performance and Innovative Culture	Employee Engagement Score		90%		
	PMS Score	111	112	111	103%
Strengthen Management and Leadership Capabilities	Competency Score	110	112	110	102%
Attract, Develop and Retain High Calibre Leadership	Workforce Quality (% Academic Staff with PhDs)	47%	50%	46%	92%
	Vacancy Rate (Academics)	15%	10%	8%	92%
OVERALL PERFORMANCE (People & Learning)					97%
FINANCE					
Diversify Funding Sources	No. of funding Sources	6	6	6	100%
	% Contribution of 3 rd Stream Income to Budget	1.3%	4%	1.9%	30%
Optimise Financial Resources	% Variance on Budget Expenditure	1.67%	10%	2%	98%
OVERALL PERFORMANCE (Finance)					82%
Key Gold: 105% and above (Achievement above target) Green: 105 - 85 % (Achievement on target) Amber: 84 - 65% (Target not achieved but in progress) Red: Below 65% (Target not met) Blue: Not Implemented/Not measured					

ACADEMIC OVERVIEW

During the year, the Division of Academic Services had a total of seventy-seven staff members, comprising thirty-three academic staff and forty-four support staff. Of this figure, forty (52%) were female while thirty-seven (48%) were male. Three new Lecturers joined the Institution during the year, in Special and Inclusive Education, the Department of Educational Management and Leadership and the Department of Community Development, Psychosocial and Behavioral Sciences.

BOU offers a total of twenty Tertiary Programmes and nineteen Open Schooling Programmes.

Accreditation

The accreditation drive which was aggressively pursued during the financial period has led to an increase in the number of programmes accredited by the Botswana Qualifications Authority for the University. Table 1 highlights these developments.

Table 1: Programme accreditation trends at BOU in 2022-2023

Programmes	Numbers
Number of programmes currently accredited	12
Number of programmes awaiting accreditation	12
Number of programmes awaiting qualification registration	5

Graduates Per School

The University continues to run its academic programmes and graduate students at the Certificate, Degree, and Postgraduate levels. Table 2 provides a summary of graduates per school within the period.

Table 2: 2022-2023 Graduation Report per School

Schools	Levels	Graduates	Total
School of Business and Management Studies (SoBMS)	Certificate	51	
	Diploma	340	
	Degree	263	
	Postgraduate	46	700
School of Education (SoE)	Certificate	57	
	Diploma	967	
	Degree	171	
	Postgraduate	127	1322
School of Social Sciences (SoSS)	Certificate	37	
	Diploma	0	
	Degree	0	
	Postgraduate	12	49
Total		2071	2071

Employability Enhancement

Towards the enhancement of the University programmes with employability and related skills, an Employability Strategy was developed and taken through the structures, including the Academic Policy Programmes and Quality Assurance Committee (APPQAC), BOU Senior Management Team, the Executive Management Team, and Council of the University. The plan is to launch the strategy in the new financial year.

Senate

As the principal academic governance body of the University, Senate successfully carried out its mandate for “policy making, decision-making, quality assurance and implementation oversight of all academic matters relating to and affecting programme development and delivery, admission standards, teaching and learning, assessment, research and innovation, and advice to Council on all academic matters”. In the process, it oversaw the key University activities of *Teaching and Learning, Research and Innovation* and *Community Engagement*.

The following were the key deliverables during the period:

- Oversight on BOU Qualifications Registration and Learning Programme Accreditation:
- Approval of a new mandate for the Centre for Graduate Studies, changing the name to the School of Graduate Studies and the position of head of the department from Director to a Dean. This was part of the incremental implementation of the Transformation Programme and to help the University diversify more into graduate programmes, including PhD programmes.
- Launch of the Colloquium series was approved by Senate.
- Approval of the establishment of two important committees, the School Academic Quality Assurance Committee (SAQAC) and the Botswana Open University Institutional Quality Team (BIQT). The two entities are meant to enhance both Academic quality and broad institutional quality at BOU. These committees will work closely with existing

Quality structures.

- To ensure systematic supervision and management of student’s research, the following research guidelines and policy documents were developed and approved by Senate for implementation. They include:
 - Graduate Research External Examiners Policy
 - Graduate Research Supervision Policy
 - Guidelines and Procedures for Graduate Research Supervision
 - Provisional Guidelines for Research Project Budget Preparation.
- Senate approved a recommendation by the School of Education to change the current Certificate in Vocational Education and Training (CVET) programme structure from one to two semesters in line with the Programme Development and Review Guidelines. The single semester had posed some challenges in that students could not complete their programme within the period. The two-semester structure is in alignment with the CVET Learning Programme submitted by BOU for accreditation to the Botswana Qualifications Authority (BQA).
- Approval of the Academic Programmes Development and Review Policy as part of the review exercise following the lapse of the policy’s life span. The revised policy was a result of extensive consultations with relevant stakeholders.
- Approval of the Community Engagement Strategy as part of initiatives of the 2022-23 Strategic Plan. This was to guide the University’s community engagement drive to ensure that the University is relevant to the needs of the community. It is also based on the University’s mission of supporting strategic collaborations and partnerships.
- Approval of the Academic Staff Attraction and Retention Strategy and Implementation Plan as part of the transformation plan, and the development of the Academic Staff Mentoring Policy.
- The following were also approved by Senate:
 - Review of the Job Descriptions of Academic Ranks and of Deans and Heads of Department (HoDs).

- Review of the Performance Management template for academic staff.
- Review of the Policy, Procedures, and Criteria for the Promotion and Appointment of Academic Staff
- Review of the Training and Staff Development Policies in Relation to Academic Staff.

Teaching and Learning

Teaching and learning is the core business of the Schools and Departments, with the Deans, Heads of Department and the Coordinators providing leadership to the Tutors who also use the regional campus support to perform their duties. The University relies on Academic Staff whose work is supplemented by Part-Time Staff who come in as Tutors, External Moderators, External Examiners, and Supervisors. The Part-Time Staff carry out teaching and tutorial functions, materials development functions and student supervision.

The Centre for Technology-Enhanced Learning and Teaching (CTELT) is mandated to integrate technology in the teaching and learning function and manage the Moodle platform. The BOU 2036 Strategic Framework anchors BOU's institutional intent on the adoption of technology in teaching and learning.

Guided by the STELTASS and the E-Tutor Policy, in its pursuit of digital transformation, and using the Learning Analytics Policy, the CTELT provided leadership and support to different arms of the University as follows:

- Facilitated online delivery of academic programmes on the Moodle LMS as well as student assessment;
- Provided support to staff and students through induction, training and one on one sessions; and
- Facilitated virtual meetings, workshops, colloquia and graduation.



RESEARCH SUPPORT AND OUTPUT

Research is driven by the Office of Research and Innovation. Its role is to advance the university strategic initiatives in research and innovation, and the provision of infrastructure support for knowledge generation, entrepreneurship, and commercialisation. The office recently took over the function of Partnership and Internationalisation and is responsible for developing and maintaining business and partnership relations with key stakeholders, locally and internationally. The office has enhanced research capability by developing researchers, promoting research ethics and integrity, and supporting grant applications. It has also increased partnership accountability by overhauling the registering of the Memorandum of Understanding and Memorandum of Agreement, as well as the licensing of programmes and the membership of societies and associations.

The achievements worthy of mention include the following:

- Research capacity development workshops held covering grant proposal writing, paper writing, research planning, project management and research ethics and integrity;
- Launch of BOU Seminar Series and a University Colloquium Series;
- Facilitated the submission of grant funding applications; and
- Continued efforts to improve the process for ethical clearance and research.

Research Outputs

The University recorded thirty-four research outputs from different Schools. The output includes thirteen Journal Articles, eleven Book Chapters, seven Conference Proceedings and three other units.

Partnerships

All in all, the University enjoys partnership and collaboration with eight entities and universities. The partnerships are meant to add value by providing synergies to extend the delivery of programmes, research and innovation, and service of the University.



THE SADC-CDE

The SADC-CDE continues its mandate of academic and professional development of citizens of the SADC member states. Many of its activities were funded by the Commonwealth of Learning (COL).

Major activities and achievements include:

- Resuscitation of the Centre's Advisory Board following COVID-19 disruptions,
- Continuation of the Conversation Seminar Series which provides Open Distance e-Learning (ODeL) practitioners from across the globe an opportunity to share ideas on good practices, and collaborate with one another where necessary,
- Organised a three-day workshop on ODeL. The aim was to ground ODeL practitioners, and all those in the ODeL environment on the importance of doing research in their own space,
- Continued support of SADC-CDE ODL practitioners to enrol for the Certificate in Distance Education (CDE). Fifteen students were sponsored in the year under review,
- The Centre was involved with the preparations for the 2022 Distance Education Association of Southern Africa (DEASA) Conference. The Conference, which was held in Windhoek, Namibia from 4th to 6th November 2022, was a resounding success,
- Attendance of a COL Focal Point Meeting on the 20th and 21st February 2023; Twenty-one Regional Focal Points from twenty Commonwealth Member States gathered in Seychelles for a meeting convened by COL.





LIBRARY AND INFORMATION SERVICES (LIS)

The LIS continues to support both students and staff of BOU in various ways:

- **Providing Automated Lending and Circulation of Library Materials (PRIMO AND ALMA).** The system gives access to all the databases BOU subscribes to, LibGuides and Google Books. The Library has witnessed increased usage of resources.
- **Development of LibGuides** - LibGuides provide helpful curated information required for a course or a module. LibGuides were created for each school including Open Schooling.
- **Library Instructions and E-Resources Training** - BOU Library boasts extensive training of students in the use of available resources to enable them to have a good experience while at BOU.
- **Collaborations** – The year 2022-23 has been an exciting and busy year for the Library. Through Botswana Library Consortium (BLC), the Library participated in organising Open Science Symposium working with a number of partners internally, nationally, regional and at international level. These resulted in the LIS Director's appointment to two working groups assigned to develop Open Science Policy and Open Data Policy- both policies have been completed and presented to the Ministry of Knowledge Communication and Technology (MKCT).

THE COLLEGE OF OPEN SCHOOLING

The College of Open Schooling (COS) is an arm of the University responsible for the design, development, and delivery of the Junior Certificate (JC) and Botswana General Certificate of Secondary Education (BGCSE) programmes. The mandate of the College is to increase access to quality open schooling programmes using Open and Distance Learning (ODL) methodologies.

Botswana continues to face challenges of low transition rates from JC to BGCSE as well as from BGCSE to tertiary. The transition stands at around 60% from JC to BGCSE and less than 50% from BGCSE to tertiary. More than 95% of the College's target population consists mostly of youth and out of school children who enroll with BOU to upgrade their JC or BGCSE results. It is also worth noting that there is relatively a very small percentage of adults who take up Open Schooling (OS) programmes.



Programmes

The College currently offers ten JC and nine BGCSE subjects as shown in Table 3 below:

Table 3: Open Schooling Subjects

JC	BGCSE
English	English
Setswana	Setswana
Science	Science Double Award
Maths	Maths
Social Studies	History
Agriculture	Geography
Moral Education	Business Studies
Religious Education	Commerce
Commerce and Office Procedures	Accounting
Commerce and Accounting	

Activities:

- The College is in the process of converting its subjects to online format and the conversion has started with JC. Currently all the study materials are in electronic format and accessible from the Public Repository in the BOU website.
- The College has embarked on a review of its learning materials to produce revision materials rather than the bulky booklets they were producing.

Partnerships

During this financial year 2022-23 the College of Open Schooling mainly capitalised on existing partnership with the Commonwealth of Learning (COL) to secure funding for the implementation of the strategic objective on instituting strategic use of technology. The following BOU/COL Partnership milestones were achieved:

- The development of JC Subjects on Moodle
- Piloting and evaluation of JC Business online subjects

- The development of the Open Schooling Technology Enabled Learning and Teaching Strategy
- Development of one hundred and fifty (150) Audio lessons for JC Business subjects to help girls and marginalised groups in the Kang Region

Apart from work done through Partnerships, the College experimented with the use of different technologies in supporting its Writers, Tutors, and Learners. The technologies used were Whatsapp and Facebook for teaching and learning. The experiments showed that the two social platforms have a high potential for supporting teaching and learning as they allow discussion forums, sharing of documents, tracking and more activities for learning.

As online delivery continues and the economy improves, the College will be able to put up a more appropriate delivery strategy, which is more inclusive. It is also important that as the College continues experimenting with online delivery for OS, data is collected to inform future developments. Partnerships with different key players such as conventional schools, internet providers, the industry and involvement of parents are all needed to open access for students.

OUR IMPACT

STAKEHOLDER ENGAGEMENT

BOU has adopted a Stakeholder- inclusive approach and is committed to meeting the different needs of its Stakeholders. In the year under review, the following engagements were conducted as shown in the table below:

Table 4. Stakeholder Engagement

Stakeholder	Manner of Engagement	Medium of Engagement
Students	Student related matters; Academic Integrity	Website, e-mail, social media pages, SMS
Staff	Key Announcements about the University and Employee related matters,	E-mail, meetings, Address by VC
Regulatory Authorities – BQA, PPRA, Data Protection Commission	Compliance obligations; Accreditation	Meetings
Council, Staff, Students, Tutors, Critical Friends of BOU	Development of the Strategic Plan for 2023-2028	Focus groups, meetings
Government	BOU Matters, Open Science, Open Data Policy	Meetings, emails
Service Providers	Contracted services and contract	Meetings
General Public; Local Authorities in Regional Campuses	About BOU; Chancellor's meet and greet Program Offerings	Botswana Television, Radio Programmes, social media, website; Chancellor's meet and greet at Regional Campuses.
Partners; <ul style="list-style-type: none"> Ministry of Education, and Skills Development (regarding Serowe College of Education) Petlo Literary Arts South African Institute for Distance Education (SAIDE) WAWASAN Open University Huawei Technologies Botswana (Proprietary) Limited REPSSI Programme in Community Based Psychology Support for Children and Youth Open University of Mauritius for the BEd (Hons)Early Childhood Education and Care programme, and BEd (Hons)Primary Education Commonwealth of Learning (COL) 	Reviewed and Renewed Partnership Agreements New Partnerships	Virtual platforms; in-person meetings, Seminars, Colloquia, conferences

COMMUNITY ENGAGEMENT

- The Kang Regional Campus organised computer training in June 2022 for thirty-six Village Extension Team members in Kang village on the use of TEAMS & Google Meet for organising meetings. The training targeted the Heads of Department in Kang village to assist them in organising online meetings through the systems as an identified need for virtual meetings.
- The Gaborone Regional Campus showed its support to the community by participating in the 5th International Day of Education whose theme was *"to invest in people, prioritize education"* by addressing the Old Naledi community on the value of education and available opportunities through Open and Distance Learning. The event was attended by the village traditional and political leadership.
- The School of Business and Management Studies participated in Youth Development Fund applications evaluation and contributed to developing the National Productivity and Competitiveness Policy.
- The School of Education brought in five primary schools in the Gaborone Sub-region as part of the Adopt a School initiatives. These are Therisanyo Primary School, Old Naledi Primary School, Masa Primary School, Tshwaragano Primary School, and Bontleng Primary School.
- An interview was held with Westwood Primary School Students on "The Impact of Digitalisation on Doing Business and Making a Living in Botswana" in October 2022.
- The School of Science and Technology developed a portfolio to upskill secondary schools around the country on ICT capabilities through its Computer and Information Studies Department.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The University continues to engage in activities that benefit communities. These activities include donations of various items to schools in Kang and Morwa; donations of school uniform to four needy children by the Palapye Regional Campus Staff. These activities attracted attention of community leadership such as the village Kgosi, District Commissioner, Office of the Area Member of Parliament, a Councillor and Village Development Committee Chairperson.

Two schools also participated in CSR. The School of Business and Management Studies donated clothes to children of inmates at Botswana Prisons and sponsored some individual to undertake studies at BOU.

The School of Education donated some examination revision books and photocopying paper to Ramogotsi Primary School in Morwa to help the school prepare their Standard 7 students for Primary School Leaving Examination (PSLE).



OUR PEOPLE

Any organisation thrives from the efforts of its people. The role of the Human Resources Department is to produce an environment conducive to enhance productivity. This section therefore presents information on staff issues, including staff development, turnover and staff wellness initiatives.



Manpower

The University has three Divisions headed by the Office of the Vice Chancellor. The three Divisions are Corporate Services, Academic Services and Student Services. The total University Establishment as of March 31st, 2023, was two hundred and forty-four (244) full time positions. The table below categorises staff by division.

Table 5. Staff by Division

Division	University Establishment	Positions filled/ Head count	Vacant positions
Vice Chancellor's Office	19	17	2
Corporate Services	48	45	3
Academic Services	82	75	7
Student Services	95	85	10
Total	244	222	22

Staff Turnover

At the end of March 2023, the University had twenty-two vacancies out of two hundred and forty-four approved positions, resulting in 9.01 % vacancy rate. Due to the financial challenges experienced by the University, Council passed a resolution to freeze recruitment of fulltime staff until the financial situation improves.

PhD Achievements

During the period two staff members successfully completed their PhD programs as follows:

- Dr Phineas Sebopelo, PhD in Business Management from University of Malaysia
- Dr Ishmael Magare, PhD in Educational Psychology from the University of Pretoria.

The total number of PhD holders in the University is now twenty-six.

Appointments - There were three new appointments. All the appointments were in the Academic Services Division.

Staff Health & Wellness

During the financial year the University engaged in staff welfare initiatives which included the Commemoration of Cancer awareness month and World AIDS Day. In recognition of the struggles people confront, BOU staff held a virtual in-depth discussion with an external professional regarding mental health issues.

Physical fitness - The University takes physical fitness seriously and is involved in the fight against Non-Communicable Diseases. There were several activities organised for staff, including a wellness walk and aerobics.

The Annual Health and Wellness day gave Staff an opportunity to get general health examinations, donate blood, take part in team building games, and training of employees on welfare issues.

The BOU Psychosocial Team has been set up and is active, ensuring that staff are protected from the effects of COVID- 19 and other mental health issues. Staff Members were trained on mindfulness and happiness program.



INFRASTRUCTURE AND THE ENVIRONMENT

The University recognises the importance of an adequate and safe working environment to support delivery of its mandate. This is a critical factor in ensuring that its employees take pleasure in going to work and being able to deliver to their utmost ability.

Infrastructure Policy

During the period under review, the following key aspects were introduced in the Infrastructure Policy in view of the challenges experienced:

- Alignment of infrastructure delivery to the strategic objectives to ensure that all the investment in infrastructure is geared towards the attainment of the strategic objectives of the institution.
- Optimisation and effective upkeep of the available infrastructure to ensure that the facilities are used to their full potential and are well maintained to serve the intended purpose.
- Development of a comprehensive annual physical infrastructure plan to guide the delivery of annual maintenance programme and to ensure compliance and prioritisation of activities.
- Exploration of funding options for the envisaged infrastructure delivery. This intervention emphasises the need to explore other funding options as opposed to solely relying on Government support to deliver projects.
- Consideration of asset life cycle, which emphasises the selection of projects factoring in their entire life cycle for an informed investment decision.
- Incorporation of green building or sustainable design principles in infrastructure project plans to increase efficient use of energy, water, and materials as well as to reduce impacts on human health and the environment.

Cost Containment initiatives for infrastructure development

In 2021-2022 a Cost Containment Strategy was formulated to inculcate a sustainable cost control culture in the institution, through the provision of innovative interventions in the institution's operations. Its implementation only commenced towards the end of the second half of the financial year, and it is anticipated that its impact will be realised in the subsequent years.

From an infrastructure point of view, the plan targets three strategic areas namely:

- Planning and implementation where maintenance of buildings will be executed through comprehensive annual plans prioritising compliance and important operational areas.
- Optimisation of operational processes, which targets development of clear and effective project management framework for effective delivery of projects. Process automation and setting effective administrative controls as well as infusing energy efficiency principles in the facilities management function were also identified as key towards process optimisation.
- Delivery of projects will explore alternative project delivery modes such as Public Private Partnership to leverage on Private sector capacity and efficiencies.

Safety Health and Environment

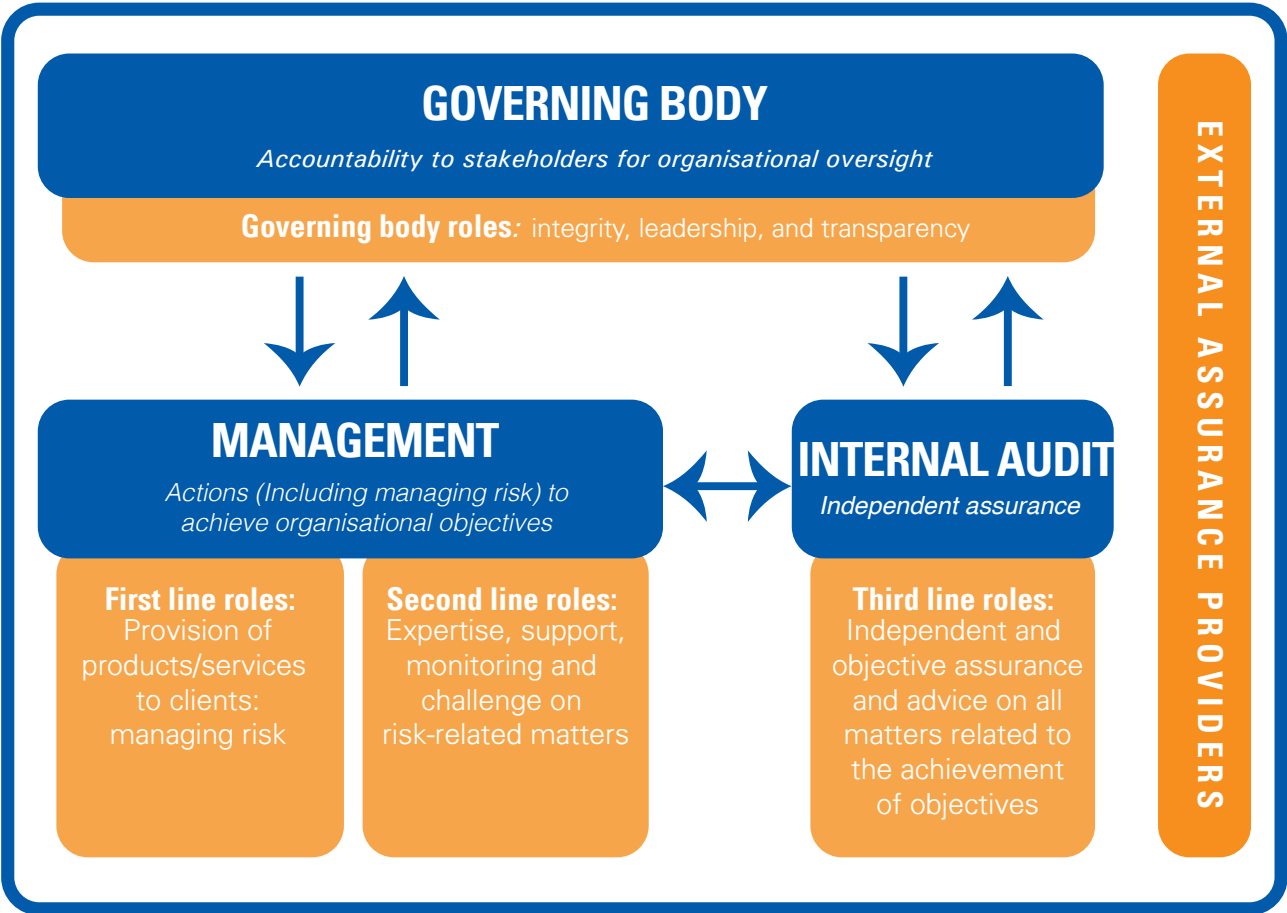
The University's Safety Health and Environment is governed by the SHE Policy. The policy was reviewed during the current period to reaffirm the University's commitment to providing a safe and healthy working and learning environment. The University SHE function is delivered through a committee from all the regional campuses. The Committee is coordinated through the Human Resources Department, with the Infrastructure and Office Services as the Secretariat.

RISK MANAGEMENT

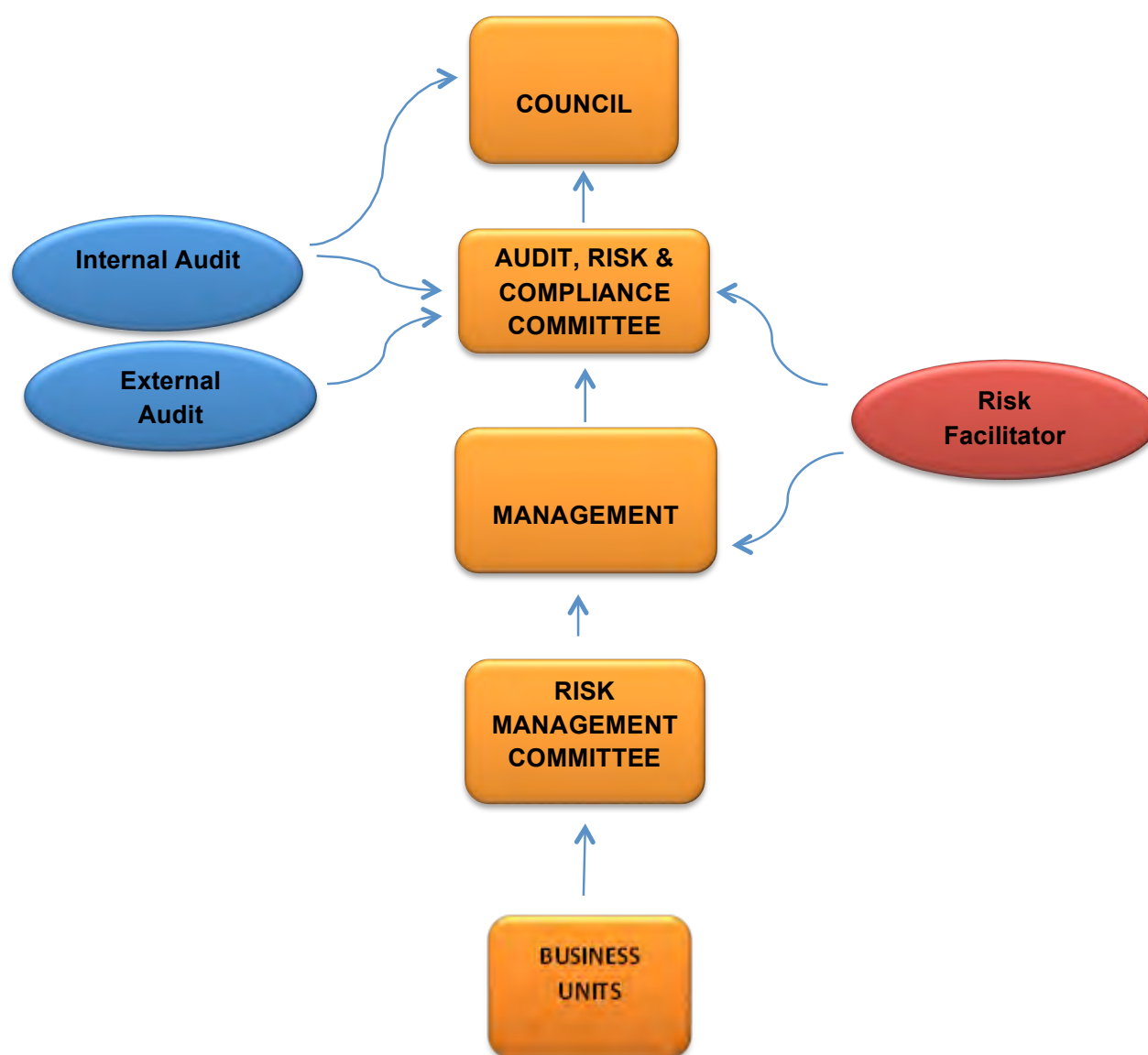
Effective risk management is fundamental to the University’s business. BOU is committed to increasing its shareholder value by operating within the approved risk appetite statements. Council provides oversight over the governance of risk in the University and sets the direction for how risk should be approached and managed. Council has approved a risk architecture in which roles are clearly defined. A Risk Management Framework through which risk management is directed is in place and is reviewed as scheduled or earlier as necessary. The framework was last reviewed in November 2022.

The Three Lines of Defence

BOU has adopted the ‘Three Lines of Defence’ model to guide how risk management responsibilities should be divided. This model is supported by the Risk architecture in place.



The Risk Architecture



Council has delegated the responsibility for the governance of risk to the Council Audit, Risk and Compliance Committee. Management has been delegated the responsibility to develop the relevant policy, implement and execute effective risk management on a day-to-day basis. The Executive Management Team has established the University's Risk Management Committee to assist it to ensure that BOU maintains an effective system of internal controls and risk management and that a culture of risk management is inculcated into the operations. The Risk Management Committee works through Risk Champions which ensure effective risk reporting. The Internal Audit Function provides independent assurance on the effectiveness and adequacy of risk management. The University's External Auditors provide external assurance. These structures enable Council to provide effective oversight and direction over the governance of risk in the institution.

Corporate Risks for 2022/23

The University prioritised the following Twelve Key Risks:

No.	Risk	Mitigation
1	Fraud and corruption	Comply with the Procurement Act; procurement procedures and plans
2	Cyber security risk	Adhere to cyber security protocols and standards
3	Lapses in Corporate Governance	Adherence to corporate governance protocols, compliance with laws and regulations and best practice principles, training and induction.
4	Failure to implement the Strategy	Supervision of strategy cascading; continuous reporting to the EMT, Council Planning and Resources Committee and Council.
5	Low integrity in Examinations and Assessments	Quality assurance of examinations and scripts, application of the Academic Integrity Policy.
6	Deficiencies in the management of Part-Time Tutors	Maintenance of Registers; Tutor Contracts, Tutor Records, Responsibility Matrix, Payment Schedule, Payment Verification Form.
7	Inadequate Subvention	Implementation of the Business Development Strategy to generate 3rd stream income, Implementation of the Cost Containment Plan, and the Asset Utilisation Plan; lobbying government for funding.
8	Financial blacklisting	EFT payments; Automation and Decentralisation of payments
9	Negative brand perception	Brand awareness campaigns; customer feedback; brand perception survey
10	Failure to implement the Transformation Program	Program committee and Steering Committee established to keep the project on track; Staff engagement.
11	Legal Risk	Compliance with legal requirements, Policies, Codes of best practice, international standards.
12	Delay in BQA Accreditation	Adherence to BQA requirements; Special project on qualification, registration and programme accreditation commissioned.

The Risk Map

Risk Rating	Risk Classification
	High
	Medium
	Low

The risks were effectively managed throughout the year, and with the implementation of internal controls, some of the risks were reduced.

KING IV APPLICATION REPORT

Principle	Application	Reference
Principle 1: The governing body should lead ethically and effectively	Council has approved Policies that enable it to lead ethically and effectively, and adheres to these.	<ul style="list-style-type: none"> • Council Code of Conduct • Council Charter • Committee Charters • BOU Act • BOU Statutes • Conflict of Interests Policy
Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	Relevant policy on ethical conduct and integrity for compliance by Staff, students and service providers/ contractors are in place.	<ul style="list-style-type: none"> • Conditions of Service • Conflict of Interests Policy • Anti-Fraud and Corruption Policy • Disciplinary Procedures
Principle 3: The governing body should ensure that the organisation is and seen to be a responsible citizen	Council recognises that BOU does not operate in a vacuum and ensures it co-exist with society in which it operates and add value, takes care of its stakeholders, protects the environment in which it operates as well as observe its legal obligations. CSR and Community engagement activities are undertaken and reported. Council has approved appropriate policy for this course.	<ul style="list-style-type: none"> • CSR Policy • SHE Policy
Principle 4: The governing body should appreciate that the organisation's core purpose, its risk and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creations process	Council has assumed the responsibility for organisational performance and approved the BOU Strategic Framework for 2036 as well as the Strategic Plan for 2019-2023. Council adopted a number of Policies intended to facilitate the achievement of the Strategic Objectives. Management implements the Strategic Plan and reports to Council. Risk Assessment is conducted on the Plan and internal controls are put in place.	<ul style="list-style-type: none"> • BOU Act • BOU Statutes • Council Charter • Council Planning and Resources Committee Charter • Strategic Framework 2036 • Strategic Plan, 2019-2023

Principle	Application	Reference
Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessment of its performance and its short-medium- and long term prospects	<p>The governing body assumes responsibility for the organisation's reporting by setting the direction for how it should be approached and conducted.</p> <p>Council ensures Compliance with Legislation and that required reports such as the Annual Financial Statements and the Annual Report are prepared accordingly and that information is communicated to stakeholders.</p> <p>Council ensures that the following information is published on the organisation's website, or on other platforms or through other media as is appropriate for access by stakeholders:</p> <ul style="list-style-type: none"> • Integrated Annual Report • Identified approved University Policies • Key announcements concerning the University 	<ul style="list-style-type: none"> • Audited Annual Financial Statements • BOU Integrated Annual Report • BOU Website
Principle 6 The governing body should serve as the focal point and custodian of corporate governance in the organisation	<p>Council exercises its leadership role by:</p> <ul style="list-style-type: none"> • Steering the organisation and setting its strategic direction; • Approving policy and monitoring of implementation by management; and • Ensuring accountability for organisational performance by means of, among others, reporting and disclosure. • Council has documented its mandate, membership and operating procedures in the Council Charter. The Charter is reviewed every three years or earlier as necessary for effectiveness and efficiency. • Council discloses the number of meetings held during the reporting period, attendance and the rate of sitting allowances. 	Council Charter BOU IAR

Principle	Application	Reference
Principle 7 The governing body should comprise of the appropriate balance of knowledge, skill, experience, diversity and independence for it to discharge its governance role and responsibility objectively and effectively	Council is unable to fully ensure a diversity in terms of skills and expertise, age, gender, independence. Composition is as prescribed by the Act. There are different appointing constituents including the President of the Republic, Minister, Chancellor, and Staff. However, an appropriate balance does exist in terms of diversity of skills, expertise and gender.	BOU Act
Principle 8 The governing body should ensure that its arrangement for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties	Council has delegated different roles to its Committees. Delegation is done through Committee Charters. The following are disclosed in relation to each Committee <ul style="list-style-type: none"> • Mandate • Composition • Number of meetings held • Attendance • Key areas of focus • Statement on execution of mandate 	<ul style="list-style-type: none"> • Council Charter • Committee Charters – CHRC, CFC, CPRC, CARCC, SSAPRC • Statutes • BOU IAR
Principle 9 The governing body should ensure that the evaluation of its own performance and its committee, its chair and its individual members, support continued improvement in its performance and effectiveness	Council could not have a formal evaluation of its performance due to financial constraints since 2021	King IV Code Council Charter

Principle	Application	Reference
Principle 10 The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibility	<p>The Minister has appointed the Vice Chancellor (VC) who is responsible for leading the implementation and execution of approved strategy, policy and operational planning, and serves as the chief link between management and the governing body.</p> <p>The VC is accountable to, and reports to, Council.</p> <p>The VC is not a member of the committee responsible for audit but attends as part of Management to respond to queries.</p> <p>Appointment of the VC is done by the Minister in consultation with Council and Senate.</p> <p>A Secretary is in place to provide professional corporate governance services to Council.</p>	<ul style="list-style-type: none"> • Council Charter • BOU Act
Principle 11 The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives	<p>Council is responsible for the governance of risk and provides oversight.</p> <p>Council has approved a risk Management framework which sets direction on risk management</p> <p>Council has delegated the responsibility for risk governance to the Audit, Risk and Compliance Committee.</p> <p>Management implements the Framework and reports to the CARCC</p>	<ul style="list-style-type: none"> • Council Charter • CARCC Charter • Risk Management Framework • Corporate Risk Register • Risk Management Reports
Principle 12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	<p>Council governs technology and information, as well as IT related risks.</p>	<ul style="list-style-type: none"> • Information Technology Policies and Strategies • Disaster Management Policy • Corporate Risk Register
Principle	Application	Reference

<p>Principle 13</p> <p>The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>Council provides oversight over the governance of compliance with applicable laws and adopted, non-binding rules, codes and standards and has delegated the responsibility to the CARCC, to ensure effective compliance arrangements.</p> <p>Council has approved a Compliance Policy that sets the direction for compliance.</p> <p>Management is responsible for implementation and execution of effective compliance</p>	<ul style="list-style-type: none"> • BOU Act • Council Charter • CARCC Charter • Compliance Policy
<p>Principle 14</p> <p>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in short, medium and long term.</p>	<p>Council has adopted a remuneration structure, though overtaken by inflation and other factors because of the University's dire financial situation.</p>	<ul style="list-style-type: none"> • Payment Structure • Conditions of Service • PMS
<p>Principle 15</p> <p>The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for external decision making and of the organisation's external reports.</p>	<p>Council has delegated to the CARCC, the responsibility to ensure:</p> <ul style="list-style-type: none"> • an effective internal control environment. • the integrity of information used for internal decision-making by management, the governing body and its committees. • Supporting the integrity of external reports. 	<ul style="list-style-type: none"> • Statutes • CARCC Charter



OUR FINANCIAL REPORT

Audited Financial Statements
For the year ended 31 March 2023

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Open and distance learning
Council Members	Charles I Coyne II - Chairman Festina S Bakwena -Vice Chairperson Dr Daniel R Tau - Vice Chancellor Professor Mpine M Makoe Kgopotso T Ramoroka Oupa Masesane Tsosetso E Magang Professor Kgomotso Moahi - Acting Vice Chancellor Onalenna Sechele Professor Mpine E Makoe Godfrey Molefe Professor Sunny E Aiyuk Professor Bantu Morolong Uyapo Ndadi Tendani Nkolo Dr Joseph Agolla
Registered office	Plot 39972 Corner of Western Bypass Garamotlhose Road Gaborone Botswana
Postal address	Private Bag BO187 Bontleng Gaborone
Bankers	Access Bank Botswana Limited ABSA Bank Botswana Limited First National Bank Botswana Limited Vunani Fund managers Botswana Savings Bank
Auditors	Grant Thomson Chartered Accountants Member Firm of Grant Thomson International Ltd

Botswana Open University

Financial Statements for the year ended 31 March 2023

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Botswana Open University

Financial Statements for the year ended 31 March 2023

Council Members' Responsibilities and Approval

The Council Members are required in terms of the Botswana Open University Act 2017 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the university as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The council members have reviewed the university's cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, they are satisfied that the university has or had access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on page 61, which have been prepared on the going concern basis, were approved by the Council on 11 October 2023 and were signed on their behalf by:

Approval of financial statements



Charles I Coyne II- Chairperson



Professor Kgomo Moahi-Acting Vice Chancellor

Botswana Open University

Financial Statements for the year ended 31 March 2023

Council Member's Report

1. Nature of business

Botswana Open University was incorporated in Botswana and is engaged in open and distance learning. There have been no material changes to the nature of the university's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the university are set out in these financial statements.

3. Council Members

The Council Members in office at the date of this report are as follows:

Council Member	Office	Designation	Changes
Charles I Coyne II- Chairperson	Chairperson	Non-executive	
Festina S Bakwena- Vice Chairperson	Council Member	Non-executive	
Dr Daniel R Tau- Vice Chancellor	Vice Chancellor	Executive	(Retired 31 March 2023)
Kgopotso T Ramoroka	Council Member	Non-executive	
Oupa Masesane	Council Member	Non-executive	
Tsoseletso E Magang	Council Member	Non-executive	
Dr Joseph Agolla	Council Member	Executive	Appointed 14 July 2022
Professor Sunny Aiyuk	Council Member	Executive	
Professor Kgomotso Moahi-Acting Vice Chancellor	Council Member	Executive	
Tendani Nkolo	Council Member	Executive	Appointed 14 July 2022
Onalenna Sechele	Council Member	Non-executive	
Professor Mpine E Makoe	Council Member	Non-executive	
Godfrey Molefe	Council Member	Non-executive	
Professor Sunny Aiyuk	Council Member	Executive	
Professor Bantu Morolong	Council Member	Non-executive	
Uyapo Ndadi	Council Member	Non-executive	
Dr Ishmael Magare	Council Member	Executive	Resigned 30 June 2022
Julia Bahuma	Council Member	Executive	Resigned 30 June 2022

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the university or in the policy regarding their use.

5. Events after the reporting period

The Council Members are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Council Member's Report

Going concern (continued)

The council members believe that the university has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The council members have satisfied themselves that although the university is not in a sound financial position, it has access to sufficient funding to meet its foreseeable cash requirements.

The council members are not aware of any new material changes that may adversely impact the university. The council members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the university.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Independent Auditor's Report



Chartered Accountants

Grant Thornton
Acumen Park, Plot 50370
Fairgrounds, Gaborone
P O Box 1157
Gaborone, Botswana

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F +267 397 2357

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twitter.com/GrantThorntonBW

Independent Auditor's Report

To the Members of the Council of Botswana Open University

Opinion

We have audited the annual financial statements of the Botswana Open University ("The University") set out on pages 10 to 43, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, annual financial Statements give a true and fair view of, the financial position of the Botswana Open University as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Botswana Open University Act of 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the University in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 23 in the annual financial statements, which indicates that the University incurred a net loss of P9 945 261 (2022: P12 075 264) during the year ended 31 March 2023 and, accumulated losses of P53 170 501 (2022: P43 225 241) and, as of that date, the University's current liabilities exceeded its current assets by P53 365 950 (P2022: P43 484 634). As stated in note 23, these events or conditions, along with other matters as set forth in note 23, indicate that a material uncertainty exists that may cast significant doubt on the University's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Botswana Accountancy Oversight Authority registration number: FAP 005 2023 (Audit Firm of Public Interest Entity)
Botswana Institute of Chartered Accountants membership number: MeFBW11013 (Non-Audit)

Partners

Kalyanaroman Vijay (Managing), Aswin Vaidyanathan*, Madhavan Venkatachary*, Anthony Quashie, Sunny K Mulakulam*, Aparna Vijay* (*Indian)

Member of Grant Thornton International Ltd
Office in Gaborone & Freetown

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Botswana Open University
Financial Statements for the year ended 31 March 2023

Independent Auditor's Report



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial Statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and the report below is not intended to constitute separate opinions on those key audit matters.

Key audit matter	How the matter was addressed in our audit
Operating expenses and payroll expenditure The University is supported by government subventions for its operating expenditure including payroll costs. Due to the high volume of transactions, amounts involved and the susceptibility to incurring expenses that may have not been carried out as per the procurement procedures or expenditure incurred not for the purpose of normal operating activities of the entity, these cycles are considered significant.	<p>Our audit procedures included testing the appropriateness of the application of the procurement procedures and verifying expenditure to supporting documents.</p> <p>We also obtained an understanding of and tested the relevant controls in place to evaluate the procurement procedures put in place by management.</p> <p>We verified the existence of employees by performing procedures such as verification of appropriate identity documents, examination of employee files, contracts and other terms of employment. We also verified if the payroll information was updated with information from the employee files.</p>

Other matter

The annual financial statements of the University for the year ended 31 March 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 15 September 2022.

Other information

The Council members are responsible for the other information. The other information comprises the information included in the document titled "Botswana Open University Annual Financial Statements for the year ended 31 March 2023", which includes the Council Members Report, the Council's Responsibility and Approval of the Annual Financial Statements, and Detailed Income Statement which we obtained prior to the date of this report and the annual report which is expected to be made available to us after that date. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information we have obtained prior to the date of this auditors report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Botswana Open University

Financial Statements for the year ended 31 March 2023

Independent Auditor's Report



Responsibilities of the Members of the Council for the Annual Financial Statements

The Members of the Council are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Botswana Open University Act of 2017, and for such internal control as the Members of the Council determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial Statements, the Members of the Council are responsible for assessing the University'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 the Members of the Council either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the members of the Council 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 University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the activities within the University to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide the members of the Council with a statement that we 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 our independence, and where applicable, related safeguards.



Botswana Open University

Financial Statements for the year ended 31 March 2023

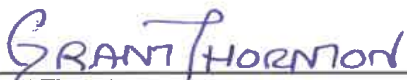
Independent Auditor's Report

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

Report on Other Legal and Regulatory Requirements

As required by the Botswana Open University Act of 2017, we report to you, based on our audit that;

- We have received all the information and explanations which, to the best of and belief, were necessary for the performance of our duties;
- The accounts and related records of the University have been properly kept;
- The University has complied with all the financial provisions of the Botswana Open University Act of 2017 with which it is the duty of the University to comply; and
- The annual financial statements prepared by the University were prepared on a basis consistent with that of the preceding year and represents a true and fair view of the transactions and financial affairs of the University.


Grant Thornton

Firm of Certified Auditors

Practicing Member: Madhavan Venkatachary CAP 0017 2023


Gaborone

Botswana Open University

Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

Figures in Pula	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	3	219 980 301	153 365 661
Right-of-use assets	4	503 173	1 260 874
Investment property	5	18 041 362	18 471 708
		238 524 836	173 098 243
Current Assets			
Trade and other receivables	6	2 032 585	351 502
Cash and cash equivalents	7	7 470 413	16 124 199
		9 502 998	16 475 701
Total Assets		248 027 834	189 573 944
Equity and Liabilities			
Equity			
Reserves		89 783 442	13 762 583
Accumulated loss		(53 170 501)	(43 225 241)
		36 612 941	(29 462 658)
Liabilities			
Non-current liabilities			
Lease liabilities	4	-	993 879
Deferred capital grant	9	148 545 945	158 082 385
		148 545 945	159 076 264
Current Liabilities			
Trade and other payables	10	53 991 035	50 894 839
Lease liabilities	4	581 366	382 740
Deferred income	11	8 296 547	8 682 756
		62 868 948	59 960 335
Total Liabilities		211 414 893	219 036 599
Total Equity and Liabilities		248 027 834	189 573 941

Botswana Open University

Financial Statements for the year ended 31 March 2023

Statement of income and expenditure

Figures in Pula	Note(s)	2023	2022
Revenue	12	39 806 808	45 554 653
Other operating income	13	131 027 311	135 923 346
Other operating gains (losses)	14	(155 026)	(25 878)
Employee Costs		(137 446 531)	(142 124 476)
Tutor and writer expenses		(5 454 114)	(8 363 624)
Other operating expenses		(38 102 881)	(43 821 373)
Operating (deficit) surplus	15	(10 324 433)	(12 857 352)
Investment income	17	432 105	879 434
Finance costs	18	(52 933)	(97 346)
(Deficit) surplus for the year		(9 945 261)	(12 075 264)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on property revaluation		76 020 859	-
Other comprehensive income for the year net of taxation		76 020 859	-
Total comprehensive income (loss) for the year		66 075 598	(12 075 264)

Botswana Open University

Financial Statements for the year ended 31 March 2023

Statement of Changes in Equity

Figures in Pula	Revaluation reserve	Accumulated loss	Total equity
Balance at 01 April 2021	13 762 583	(31 149 977)	(17 387 394)
Deficit for the year	-	(12 075 264)	(12 075 264)
Other comprehensive income	-	-	-
Total comprehensive deficit for the year	-	(12 075 264)	(12 075 264)
Balance at 01 April 2022	13 762 583	(43 225 240)	(29 462 657)
Deficit for the year	-	(9 945 261)	(9 945 261)
Other comprehensive income	76 020 859	-	76 020 859
Total comprehensive deficit for the year	76 020 859	(9 945 261)	66 075 598
Balance at 31 March 2023	89 783 442	(53 170 501)	36 612 941
Note(s)	8		

Botswana Open University

Financial Statements for the year ended 31 March 2023

Statement of Cash Flows

Figures in Pula	Note(s)	2023	2022
Cash flows from operating activities			
Loss before taxation		(9 945 261)	(12 075 265)
Adjustments for non-cash items:			
Depreciation, amortisation		10 436 381	10 539 654
Gains on sale of assets and liabilities		-	(34 928)
Losses on exchange differences		155 026	60 806
Deferred capital grants		(9 536 440)	(9 117 638)
Interest income		(432 105)	(879 434)
Finance costs		52 933	97 346
Changes in working capital:			
Trade and other receivables		(1 681 083)	1 437 719
Trade and other payables		2 941 170	2 840 987
Deferred income		(386 209)	402 184
Cash used in operations		(8 395 588)	(6 728 569)
Interest income	17	432 105	879 434
Finance costs	18	(52 933)	(97 346)
Net cash from operating activities		(8 016 416)	(5 946 481)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(125 389)	(862 832)
Proceeds from sale of property, plant and equipment	3	-	34 928
Cash additions to right-of-use-assets	4	-	(51 056)
Lease modification adjustment	5	-	(234 457)
Net cash from investing activities		(125 389)	(1 113 417)
Cash flows from financing activities			
Cash repayments on lease liabilities	4	(511 980)	(38 064)
Movement in provisions		-	(144 979)
Net cash from financing activities		(511 980)	(183 043)
Total cash movement for the year		(8 653 785)	(7 242 941)
Cash and cash equivalents at the beginning of the year		16 124 199	23 367 140
Cash and cash equivalents at the end of the year	7	7 470 414	16 124 199

Botswana Open University

Financial Statements for the year ended 31 March 2023

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pulas, which is the university's functional currency.

These accounting policies are consistent with the previous year.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Leases as lessee

The determination of the lease term for lease contracts in which the university is a lessee, including whether the university is reasonably certain to exercise lessee options and the determination of the incremental borrowing rate used to measure the lease liabilities require significant judgement.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The university uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the university's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Impairment testing

The university reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on the university's replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. During the year no provisions were made (2022:P Nil)

Contingent Liabilities

Management applies its judgement facts and advice from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Depreciation method	Average useful life
Property - buildings	Straight line	50 years

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the university holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the university, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the university and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset, net of deferred tax.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.4 Property, plant and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the university. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 Years
Furniture and fixtures	Straight line	1-12 Years
Motor vehicles	Straight line	4-6 Years
Office equipment	Straight line	3-8 Years
IT equipment	Straight line	2-11 Years
Computer software	Straight line	Not Depreciated
Capital- Work in progress	Straight line	Not Depreciated

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Financial instruments

Financial instruments held by the university are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the university, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost;

Note 21 Financial instruments and risk management presents the financial instruments held by the university based on their specific classifications. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.5 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the university are presented below:

1.5 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the university's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the university becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 17).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The university recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The university measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Accounting Policies

Measurement and recognition of expected credit losses

The university makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

1.5 Financial instruments (continued)

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 15).

Write off policy

The university writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the university recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables (note 6) and the financial instruments and risk management (note 21).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the university becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the university to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Accounting Policies

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.5 Financial instruments (continued)

Derecognition

Financial assets

The university derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the university neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the university recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the university retains substantially all the risks and rewards of ownership of a transferred financial asset, the university continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The university derecognises financial liabilities when, and only when, the university obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The university only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities

No provision for taxation is made as the university is exempt from income tax under the second schedule of the Income Tax Act.

1.7 Leases

The university assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the university has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

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Accounting Policies

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

1.7 Leases (continued)

University as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the university is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the university recognises the lease payments as an operating expense (note 15) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the university has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the university is a lessee are presented in note 4 Leases (university as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the university uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the university under residual value guarantees;
- the exercise price of purchase options, if the university is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the university is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18).

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Botswana Open University

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Accounting Policies

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the university incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

1.7 Leases (continued)

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the university expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.8 Impairment of assets

The university assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the university estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the university also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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Accounting Policies

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the university's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Provisions and contingencies

Provisions are recognised when:

- the university has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the university will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes

Botswana Open University

Financial Statements for the year ended 31 March 2023

Accounting Policies

receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

1.11 Government grants (continued)

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense.

1.12 Revenue from contracts with customers

The university recognises revenue from the following major sources:

- Student and tuition fees are recognised over the period of the courses.
- Any amount received from students in advance for the courses not yet attended is deferred to the future periods where the courses are attended.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The university recognises revenue when it transfers control of a product or service to a customer.

Interest is recognised in the profit and loss, using the effective interest method.

Rental income on leases is recognised on straight line basis over the lease period.

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pulas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the university receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the university initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, university determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised

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Accounting Policies

in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pulas by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

Botswana Open University

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Notes to the Financial Statements

Figures in Pula	2023	2022
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2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The university has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the university's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS S1: general requirements for disclosure of sustainability-related financial information	01 January 2024	Unlikely there will be a material impact
• IFRS S2: climate related disclosures	01 January 2024	Unlikely there will be a material impact
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2009	Unlikely there will be a material impact
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact

Botswana Open University

Financial Statements for the year ended 31 March 2023

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2023

2022

3. Property, plant and equipment

	2023			2022		
	Cost revaluation	orAccumulated depreciation	Carrying value	Cost revaluation	orAccumulated depreciation	Carrying value
Buildings	214 506 006	-	214 506 006	174 764 328	(32 600 505)	142 163 823
Furniture and fixtures	3 507 946	(3 462 670)	45 276	3 507 946	(3 069 028)	438 918
Motor vehicles	9 526 034	(9 488 424)	37 610	9 526 034	(8 620 289)	905 745
Office equipment	22 122 197	(18 967 818)	3 154 379	22 072 226	(17 092 379)	4 979 847
IT equipment	21 525 729	(19 336 396)	2 189 333	21 450 312	(16 620 681)	4 829 631
Capital - Work in progress	47 697	-	47 697	47 697	-	47 697
Total	271 235 609	(51 255 308)	219 980 301	231 368 543	(78 002 882)	153 365 661

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Revaluations	Depreciation	Total
Buildings	142 163 823	-	76 020 858	(3 678 675)	214 506 006
Furniture and fixtures	438 918	-	-	(393 642)	45 276
Motor vehicles	905 745	-	-	(868 135)	37 610
Office equipment	4 979 847	49 972	-	(1 875 440)	3 154 379
IT equipment	4 829 631	75 417	-	(2 715 715)	2 189 333
Capital - Work in progress	47 697	-	-	-	47 697
	153 365 661	125 389	76 020 858	(9 531 607)	219 980 301

Botswana Open University

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Buildings	145 844 856	-	(3 681 033)	142 163 823
Furniture and fixtures	802 446	31 569	(395 097)	438 918
Motor vehicles	2 575 652	-	(1 669 907)	905 745
Office equipment	5 682 551	-	(702 704)	4 979 847
IT equipment	7 424 479	831 263	(3 426 111)	4 829 631
Capital - Work in progress	47 697	-	-	47 697
	162 377 681	862 832	(9 874 852)	153 365 661

Revaluations

A revaluation of buildings on Lot 39972 Gaborone, Lot 4742 Gaborone, Lot 31403 Francistown and Lot 6342 Maun, was performed by Mr Benedict Kgosilentswe (registered valuer (BSC (Hons)(Estate Management.), MRICS, MREIB, Professional Member of the Royal Institution of Chartered Surveyors, an independent valuer on 30 April 2023. The valuation conforms to the International Valuation Standards and was based on recent market data on similar properties transacted on an arm's length basis. This valuation was performed using the Depreciated Replacement Value. This is an acceptable method of valuation of such property.

Botswana Open University

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3. Property, plant and equipment (continued)

Details of properties	2022	2023
Lot 39972 Gaborone		
- Capitalised expenditure	30 751 167	16 566 342
- Revaluation	24 918 319	19 589 837
- Capitalised expenditure	-	2 387 481
	55 669 486	38 543 660
Palapye		
-Lot 19692 (Capitalised expenditure)	610 000	610 000
-Lot 6467 (Capitalised expenditure)	60 000	60 000
-Lot 6468 (Capitalised expenditure)	60 000	60 000
-Lot 6469 (Capitalised expenditure)	60 000	60 000
-Lot 6470 (Capitalised expenditure)	60 000	60 000
-Lot 6471 (Capitalised expenditure)	60 000	60 000
-Lot 6472 (Capitalised expenditure)	60 000	60 000
	970 000	970 000
Lot 4742 Gaborone		
- Capitalised property grant	19 784 633	21 662 419
- Revaluation	18 465 367	-
	38 250 000	21 662 419
Francistown		
- Lot 31403 (Capitalised expenditure)	16 143 613	18 000 000
- Revaluation	36 356 387	-
-Lot 31645 (Capitalised expenditure)	3 650 000	3 650 000
	56 150 000	21 650 000
Lot 6342 Maun		
-Capitalised cost	66 785 462	105 523 439
- Revaluation	(285 167)	(14 201 415)
	66 500 295	91 322 024

The University's buildings include Lot 4272 Gaborone and Lot 31403 Francistown, which have been provided by the Government of Botswana. Title to the properties was not transferred from the Government of Botswana to the University however, this is deemed as a grant where the University has uninterrupted economic benefit to the properties.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

4. Leases (University as lessee)

The university's Palapye Campus located at Plot 1006/3/0 is operating under a lease arrangement. The details for the right of use pertaining to this property as a Right of Use Asset are presented below:

	2023			2022		
	Cost	or Accumulated depreciation	Carrying value	Cost	or Accumulated depreciation	Carrying value
	revaluation			revaluation		
Buildings	2 280 075	(1 776 902)	503 173	2 280 075	(1 019 201)	1 260 874

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Buildings	503 173	1 260 874
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 15), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	474 428	234 456
Lease modifications	283 273	285 512
	757 701	519 968

Other disclosures

Interest expense on lease liabilities	52 933	97 346
Lease repayments	564 913	1 121 274

Botswana Open University

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

4. Leases (University as lessee) (continued)

Lease liabilities	2023	2022
The maturity analysis of lease liabilities is as follows:		
Within one year	600 000	480 086
Two to five years	-	993 879
	600 000	1 473 965
Less finance charges component	(18 364)	(97 346)
	581 636	1 376 619
Non-current liabilities	-	993 879
Current liabilities	581 366	382 740
	581 366	1 376 619
Reconciliation of movement in lease liability		
Opening balance	1 376 617	1 414 683
Interest expense	52 933	97 346
Lease modification adjustment	(283 271)	285 512
Lease payments	(564 913)	(420 924)
	581 366	1 376 617

Botswana Open University
Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

5. Investment property

	2023			2022		
	Cost	/Accumulated	Carrying value	Cost	/Accumulated	Carrying value
	Valuation	depreciation		Valuation	depreciation	
Investment property	21 517 416	(3 476 054)	18 041 362	21 517 416	(3 045 708)	18 471 708

Reconciliation of investment property - 2023

	Opening balance	Depreciation	Total
Investment property	18 471 708	(430 346)	18 041 362

Reconciliation of investment property - 2022

	Opening balance	Depreciation	Total
Investment property	18 902 053	(430 345)	18 471 708

Details of property

Lot 39972 Gaborone

- Capitalised expenditure	2 466 993	2 466 993
- Revaluation	5 873 759	5 873 759
	8 340 752	8 340 752

Lot 6342 Maun

- Capitalised expenditure	10 676 262	10 676 262
- Revaluation	2 500 402	2 500 402
	13 176 664	13 176 664

Details of valuation

Fair values for the investment properties were determined by an independent valuer, Mr Benedict Kgosilentswe (registered valuer (BSC (Hons)(Estate Management.), MRICS, MREIB, Professional Member of the Royal Institution of Chartered Surveyors, of Riberry on the 30th of April 2023. Riberry is not connected to the university and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

5. Investment property (continued)

Amounts recognised in profit and loss for the year

Rental income from investment property	944 349	903 288
Direct operating expenses from rental generating property	(67 139)	(66 835)
	877 210	836 453

6. Trade and other receivables

Financial instruments:

Trade receivables	330 785	297 838
Loss allowance on trade receivables	(328 727)	(297 838)
Trade receivables at amortised cost	2 058	-
Other receivable	483 697	275 374

Non-financial instruments:

Employee costs in advance	76 128	76 128
Prepayments	1 470 702	-

Total trade and other receivables	2 032 585	351 502
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Split between non-current and current portions

Current assets	2 032 585	351 502
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	485 755	275 374
Non-financial instruments	1 546 830	76 128
	2 032 585	351 502

Exposure to credit risk

Trade receivables inherently expose the university to credit risk, being the risk that the university will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The university measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Botswana Open University
Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

6. Trade and other receivables (continued)

The university's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2023	2023	2022	2022
	Estimated gross carrying amount	Loss allowance (Lifetime at expected credit loss)	Estimated gross carrying amount	Loss allowance (Lifetime at expected credit loss)
Expected credit loss rate:				
More than 120 days past due: 100% (2022: 100%)	330 785	(328 727)	297 838	(297 838)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(297 838)	(315 501)
Current year charge	(30 889)	17 662

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 500	1 207
Bank balances	6 836 180	5 967 257
Short-term deposits	634 451	10 155 735
	7 472 131	16 124 199

8. Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment and investment properties for the university.

Buildings	81 409 281	5 388 422
Investment property	8 374 161	8 374 161
	89 783 442	13 762 583

Botswana Open University

Financial Statements for the year ended 31 March 2023

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9. Deferred capital grant

The grants recognised in the annual financial statements are capital grants. These are for the purchase of fixed assets used by the University over the years. The details of the grants are as per the below:

Reconciliation of deferred capital grants

Opening balance	158 082 385	167 200 024
Additions	125 388	862 833
Amortisation	(9 661 828)	(9 980 472)
	148 545 945	158 082 385

10. Trade and other payables

Financial instruments:

Trade payables	4 058 042	3 598 460
Staff related accruals	44 623 003	40 462 319
Accrued expenses	1 397 441	3 484 907
Other payables	3 912 549	3 349 153
	53 991 035	50 894 839

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

11. Deferred income

Deferred income for the current year and prior year are composed of the deferred tuition fees income already received from students but the university had not yet offered tuition to the students as at year end.

Reconciliation of deferred income

Opening balance	8 682 756	8 280 572
Additions	8 296 547	8 682 756
Realised in income	(8 682 756)	(8 280 572)
	8 296 547	8 682 756

12. Revenue

Revenue from contracts with customers

Student application and tuition fees	39 806 808	45 554 653
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Botswana Open University

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Pula		2023	2022
13. Other operating income			
Rental income		944 349	967 720
Amortisation of capital grants		9 661 828	9 712 687
Tender sales		188 185	48 545
Bad debts recovered		(165 458)	115 708
Other income		2 788 115	1 146 396
Government grants		117 610 292	123 932 290
		131 027 311	135 923 346
14. Other operating gains (losses)			
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	3	-	34 928
Foreign exchange gains (losses)			
Net foreign exchange loss		(155 026)	(60 806)
Total other operating gains (losses)		(155 026)	(25 878)
15. Operating profit (loss)			
Operating (deficit) surplus for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		507 592	254 534
Employee costs			
Salaries, wages, bonuses and other benefits		82 027 262	85 698 191
Allowances		29 464 182	30 426 701
Gratuity expense		18 247 612	16 956 562
Retirement benefit plans: defined contribution expense		7 707 475	9 043 022
Total employee costs		137 446 531	142 124 476
Depreciation and amortisation			
Depreciation of investment property on the cost model		430 346	430 346
Depreciation of property, plant and equipment		9 531 607	9 874 852
Depreciation of right-of-use assets		474 428	234 456
Total depreciation and amortization		10 436 381	10 539 654
Tutor and Writer Expenses			
Tutor Related Fees (Tertiary and Open Schooling)		4 426 085	8 040 025
Marking and Writers Expenses		1 028 029	323 599

Botswana Open University

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Notes to the Financial Statements

Figures in Pula	2023	2022
16. Other operating expenses		
Administration and management fees	410 608	470 697
Auditors remuneration -External Audit	507 592	254 534
Bank Charges	1 458 090	1 669 370
Cleaning	1 206 750	1 063 369
Consulting fees	49 228	464 089
Consumables	34 889	44 861
Depreciation	10 436 381	14 478 889
Entertainment	29 767	36 936
Examination expenses	1 057 389	6 088 729
IT expenses	1 720 473	1 771 959
Insurance	2 425 295	1 650 790
Learner materials	455 561	495 576
Library books	109 059	23 884
License fees	3 169 984	2 405 965
Moderator fees	323 322	481 307
Motor vehicle expenses	277 817	216 717
Other expenses	305 452	462 519
Partnership fees	287 464	540 640
Postage	75 511	126 324
Printing and stationery	164 257	193 653
Programs expenditure	895 041	1 574 526
Promotions	642 397	876 279
Protective clothing	49 789	47 127
Repairs and maintenance	5 523 853	5 603 285
Security	1 043 400	1 009 263
Staff welfare	603 924	1 113 111
Subscriptions	414 041	359 002
Teaching aids	96 463	100 918
Telephone and fax	318 219	371 040
Training	94 260	156 911
Travel-external	254 966	-
Travel-local	433 144	178 092
Utility costs	3 024 288	3 430 247
	37 898 674	47 760 609
17. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	432 105	879 434
18. Finance costs		
Lease liabilities	52 933	97 346
19. Taxation		

No provision has been made as the university is exempt from income tax under the second schedule of the Income Tax Act.

Botswana Open University

Financial Statements for the year ended 31 March 2023

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20. Related parties

Relationships

The main financier and guarantor

Executive Management

Government of Botswana-Ministry of Education and Skills Development

Dr D R Tau-Vice Chancellor-Retired 31.03.2023

Professor K. Moahi-Vice Chancellor(Ag)

Dr Godson Gatsha-Deputy Vice Chancellor(Student Services)

Dr Lesedi L. Lesetedi- Deputy Vice

Chancellor(Corporate Services)

Professor Gbolagade Adekanmbi-Deputy Vice

Chancellor(Academic Services)(Ag)

Related party transactions

Government grants

Subvention	117 610 291	123 932 290
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Council sittings

Council sitting fees	174 814	184 771
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Compensation to directors and other key management

Short-term employee	5 328 788	5 313 790
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21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Amortised cost	Total	Fair value
Short term deposits		634 451	634 451	634 451
Trade and other receivables	6	485 755	485 755	485 755
Cash and cash equivalents	7	6 836 180	6 836 180	6 836 180
		7 956 386	7 956 386	7 956 386

2022

	Note(s)	Amortised cost	Total	Fair value
Short term deposits		10 155 735	10 155 735	10 155 735
Trade and other receivables	6	275 374	275 374	275 374
Cash and cash equivalents	7	5 968 464	5 968 464	5 968 464
		16 399 573	16 399 573	16 399 573

Botswana Open University

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Notes to the Financial Statements

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21. Financial instruments and risk management (continued)

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	10	53 991 035	-	53 991 035	53 991 035
Finance lease obligations	4	-	581 366	581 366	581 366
		53 991 035	581 366	54 572 401	54 572 401

2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	10	50 894 839	-	50 894 839	50 894 839
Finance lease obligations	4	-	1 376 619	1 376 619	1 376 619
		50 894 839	1 376 619	52 271 458	52 271 458

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21. Financial instruments and risk management (continued)

Financial risk management

Overview

The university is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Council Members has overall responsibility for the establishment and oversight of the university's risk management framework. The Council has established the risk committee, which is responsible for developing and monitoring the university's risk management policies. The committee reports quarterly to the on its activities.

The university's risk management policies are established to identify and analyse the risks faced by the university, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the university's activities.

The university audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the university. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the university if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The university is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The university only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the university through dealing with well-established financial institutions with high credit ratings.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables.

The maximum exposure to credit risk is presented in the table below:

Botswana Open University

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21. Financial instruments and risk management (continued)

	2023			2022		
	Gross carrying amount	Credit allowance	lossAmortised cost / fair value	Gross carrying amount	Credit allowance	lossAmortised cost / fair value
Trade and other receivables ⁶	2 361 312	(328 727)	2 032 585	649 340	(297 838)	351 502
Cash and cash equivalents ⁷	7 470 631	-	7 470 631	16 124 199	-	16 124 199
	9 831 943	(328 727)	9 503 216	16 773 539	(297 838)	16 475 701

Liquidity risk

The university is exposed to liquidity risk, which is the risk that the university will encounter difficulties in meeting its obligations as they become due.

The university manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2023

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	10	53 991 035	53 991 035	53 991 035
Lease liabilities	4	581 366	581 366	581 366

2022

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	10	50 894 842	50 894 842	50 894 842
Lease liabilities	4	382 740	382 740	382 740

Foreign currency risk

The university is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currency in which the university deals primarily is the South African Rand.

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21. Financial instruments and risk management (continued)

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:

Current liabilities:			
Trade and other payables	10	-	39 531

ZAR exposure:

Current liabilities:			
Trade and other payables	10	156 791	27 397

Net exposure to foreign currency in Pula

156 791	66 928
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Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

Non-current liabilities:			
Trade and other payables	10	-	3 500

ZAR exposure:

Current liabilities:			
Trade and other payables	10	217 166	35 169

Exchange rates

Pula per unit of foreign currency:

US Dollar	-	11,295
South African Rand	0,722	0,779

Foreign currency sensitivity analysis

The following information presents the sensitivity of the university to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The impact of a change by 10% to all the foreign currencies was calculated and is not material hence not disclosed separately.

Botswana Open University

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22. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the university can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

Assets	Note(s)		
Property, plant and equipment	3		
Land		4 620 000	4 620 000
Buildings		209 886 006	170 144 328
Total property, plant and equipment		214 506 006	174 764 328
Total		214 506 006	174 764 328

Details of the valuation of the above land and buildings and investment properties are disclosed in the note 3 and 5 respectively.

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Gains (losses) recognised in profit (loss)	Accumulated in Depreciation	Closing balance
2023					
Assets					
Property, plant and equipment	3				
Land		4 620 000	-	-	4 620 000
Buildings		170 144 328	76 020 860	(36 279 182)	209 886 006
Total property, plant and equipment		174 764 328	76 020 860	(36 279 182)	214 506 006
Total		174 764 328	76 020 860	(36 279 182)	214 506 006

23. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Pula	2023	2022
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23. Going concern (continued)

The Council Members believe that the university has adequate financial support to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Council Members have satisfied themselves that although the university is not in a sound financial position (accumulated losses of P53 170 501 (2022: P43 225 241) and current liabilities exceeds current assets by P53 365 950 (2022: P43 484 634), it has access to sufficient funding to meet its foreseeable cash requirements. The Council Members are not aware of any new material changes that may adversely impact the university. The Council Members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the university.

24. Events after the reporting period

The Council Members are not aware of any other significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the financial statements, which significantly affect the financial position of the university or the results of its operations to the date of this report.

25. Contingencies

The university has no material contingencies as at year end.

26. Commitments

The university did not have any commitments as at year end.

Botswana Open University

Financial Statements for the year ended 31 March 2023

Detailed Income Statement

Figures in Pula	Note(s)	2023	2022
Revenue			
Rendering of services		39 806 808	45 554 653
Other operating income			
Other rental income		944 349	967 720
Amortisation of capital grant		9 661 828	9 712 687
Tenders		188 185	48 545
Bad debts recovered		(165 458)	115 708
Other income		2 788 115	1 146 396
Government grants		117 610 292	123 932 290
	13	131 027 311	135 923 346
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities		-	34 928
Foreign exchange losses		(155 026)	(60 806)
	14	(155 026)	(25 878)
Expenses (Refer to page 45)		(181 169 197)	(194 309 472)
Operating (deficit) surplus	15	(10 324 433)	(12 857 351)
Investment income	17	432 105	879 434
Finance costs	18	(52 933)	(97 346)
Loss for the year		(9 945 261)	(12 075 263)

The supplementary information presented does not form part of the annual financial statements and is unaudited

Botswana Open University
Financial Statements for the year ended 31 March 2023

Detailed Income Statement

Figures in Pula	Note(s)	2023	2022
Other operating expenses			
Administration and management fees		(410 608)	(470 697)
Auditor's remuneration - external audit	15	(507 592)	(254 534)
Bank charges		(1 458 090)	(1 669 369)
Cleaning		(1 206 750)	(1 063 369)
Consulting and professional fees		-	(427 373)
Consulting and professional fees - legal fees		(49 228)	(36 266)
Consumables		(34 899)	(44 861)
Depreciation		(10 436 381)	(10 539 654)
Employee costs		(137 446 531)	(142 124 476)
Entertainment		(29 767)	(36 936)
Examination expenses		(1 057 389)	(6 088 729)
IT expenses		(1 720 473)	(1 771 959)
Insurance		(2 425 295)	(1 650 790)
Learner materials		(455 561)	(495 576)
Library books		-	(23 884)
Library resources		(109 059)	-
License fees		(3 169 984)	(2 405 965)
Moderator fees		(323 322)	(481 307)
Motor vehicle expenses		(277 817)	(216 717)
Other expenses		(305 452)	(462 517)
Partnership fees		(287 464)	(540 640)
Postage		(75 511)	(126 324)
Printing and stationery		(164 257)	(193 653)
Programs expenditure		(895 041)	(1 574 526)
Promotions		(642 397)	(876 279)
Protective clothing		(49 789)	(47 127)
Repairs and maintenance		(5 523 853)	(5 603 285)
Security		(1 043 400)	(1 009 421)
Staff welfare		(603 924)	(1 113 111)
Subscriptions		(414 041)	(359 002)
Teaching aids		(96 463)	(100 918)
Telephone and fax		(318 219)	(371 040)
Training		(94 260)	(156 911)
Travel - external		(254 966)	-
Travel - local		(433 144)	(178 092)
Tutor and writer expenses		(5 454 114)	(8 363 624)
Utility costs		(3 228 485)	(3 430 247)
		(181 169 197)	(194 309 472)

The supplementary information presented does not form part of the annual financial statements and is unaudited

The background is a solid blue color with a series of concentric circles and lines. The circles are centered in the upper right quadrant and expand towards the left and bottom. Several straight lines of varying lengths and orientations are scattered across the image, some intersecting the circles. A single, slightly thicker circle is positioned in the lower left quadrant, below the text.

Inspire Tomorrow, Today



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