



**Bank of Botswana**

August 25, 2020

**PRESS RELEASE**

**REBUTTAL OF SUNDAY STANDARD NEWSPAPER STORY HEADLINED “BoB STILL UNABLE TO ACCOUNT FOR MISSING “LARGE AMOUNTS” – AUDITOR GENERAL”**

In the interest of public accountability, the Bank of Botswana (Bank) wishes to correct grossly misleading statements and factual errors contained in the headline story which appeared in the Sunday Standard newspaper of August 23 - 28, 2020 titled “BoB Still Unable to Account for Missing “Large Amounts” – Auditor General”.

As demonstrated below, the Sunday Standard story is a misrepresentation of facts and appears to be a deliberate ploy to peddle a narrative that impugns the credibility and reputation of the Bank and the country’s financial sector, in general and, in the process, also mislead the public. The Bank, therefore, categorically dismisses the flawed interpretation of the AG’s Report by the Sunday Standard as malicious, careless, irresponsible and unethical reporting. The author of the story, if unsure of anything, could have easily checked and verified with the Office of the Auditor General who the “Accounting Officer” is, referred to in the AG’s Report.

The Bank notes that the Auditor General’s Report on the Accounts of the Botswana Government for the Financial Year Ended March 31, 2019 (AG’s Report), to which the Sunday Standard newspaper imputes several of the misleading and inaccurate statements in the story, does not attribute any of its audit findings to the Bank in general and the Governor in particular. First, the Governor of the Bank of Botswana

is not the Accounting Officer for the Government of Botswana Accounts and is not responsible for reconciling Government Accounts. Therefore, the “Accounting Officer” referred to in the AG’s Report is not the Governor.

Second, the Governor of the Bank never appeared before the Public Accounts Committee in 2016/2017, as alleged by the publication, or at any time in recent memory. Therefore, the statement that “despite assurances by Bank Governor, Moses Pelaelo, to the 2016/17 sitting of the Public Accounts Committee that he would have reconciled the accounts by October 2018, as at March 2019, the bank reconciliation statement still included unidentified items going back to 2005, involving large amounts” is false and totally misleading. Third, the AG’s Report does not make any reference to the Bank of Botswana as an accounting entity nor attributes any of the alleged reconciliation lapses to the Governor. Such a statement would, if warranted, rather refer to unreconciled items by the Accountant General’s Office not the Bank of Botswana.

Fourth, the Auditor General does not audit the accounts and the books of the Bank. It is therefore a misrepresentation and deliberate distortion of facts by the newspaper to state that the Auditor General found that “the Bank Governor has failed to account for missing large amounts” when the Auditor General had never audited the accounts of the Bank. Also, nowhere in this segment of the Report does the Auditor General allude to any missing money. Fifth, it is significant to add that, as banker to the Government, the Bank neither has access to the Government Ledgers nor other financial information or transactions not conducted through the accounts held at the Bank.

The Public is reminded that, though the Bank of Botswana is banker to the Botswana Government, the function does not include reconciling any of the multiple accounts maintained by the Government at the Bank or any other financial institution. It is germane to note that the Bank issues statements of transactions of the accounts it maintains for its clients, on a regular basis, namely, the Accountant General in the Ministry of Finance and Economic Development (Botswana Government), commercial banks, international organisations and other designated account holders. The account holders, **and not the Bank**, reconcile the record of transactions to confirm that the bank statement reflects authorised and known transactions for the specified period.

As a matter of standard procedure and practice, the Bank provides the Government with bank statements and supporting documents to entries with a lag of only one business day; thus, enabling the accountholder to reconcile transactions.

It should be noted that the Bank is a statutory institution with its own accounts, totally independent of Government. In accordance with Section 67(1) of the Bank of Botswana Act (CAP 55:01), the financial statements of the Bank are audited by audit firms “approved by the Minister and appointed by the Board annually”. The Bank’s statement of financial position is published monthly in the Government Gazette as required by law. Furthermore, the Bank’s audited Annual Financial Statements are tabled before Parliament by April 30 of each year, consistent with the requirements of the Bank of Botswana Act, CAP 55:01. The record clearly shows that successive financial statements of the Bank have generated clean audit reports, confirming appropriate maintenance of accounts, existence of sound risk management and internal control environment and, in general, effective governance structures at the Bank. For further details, refer to the Bank’s Annual Reports available at [www.bankofbotswana.bw](http://www.bankofbotswana.bw).

As part of good governance, public accountability and transparency, the Bank, whenever called upon, appears before the Parliamentary Committee on Statutory Bodies and State Enterprises to respond to requests for information and clarification. Furthermore, the Bank routinely, on an annual basis following publication of the Annual Report, conducts Economic Briefings for various public and private sector stakeholders. Among others, the briefings cover explanations of the financial statements and performance of the Bank.

The Bank, therefore, totally rejects the story by the Sunday Standard Newspaper. The story is a malicious fabrication and distortion of facts, calculated to malign the Bank’s reputation, tarnish its integrity, as well as foment a lack of trust between the Bank, Government and general public. The Bank unreservedly condemns the unethical reporting displayed in this story.

Notwithstanding, the Bank remains fully committed to the values of a transparent and accountable public institution as well as good governance. However, unwarranted

and deliberate maligning of the Bank detracts from the positive contribution the Bank is making towards improvements in sustenance of macroeconomic stability, integrity of the broader financial system and, in general, sound economic performance and welfare of the nation.

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