burs

botswana unified revenue service

INTEGRATED ANNUAL REPORT 2023



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PREFACE

Welcome to the second edition of the Botswana Unified Revenue Service (BURS) Integrated Report. In this year's report, we continue our journey of transparency, accountability, and responsible governance, reflecting on the strides we have made in advancing our mandate and reinforcing our role in Botswana's development. As we evolve, so too does our commitment to creating value not only through tax administration but through a broader, more integrated approach to economic, social, and environmental well-being.

Building on the foundation laid in our first report, we delve deeper into the evolving landscape of revenue generation, governance, and public service. This edition highlights our progress in enhancing operational efficiency, fostering stakeholder collaboration, and driving inclusive economic growth. By showcasing how we align our strategic objectives with national priorities, we reaffirm BURS's pivotal role in supporting the sustainable development of Botswana's economy and society.

As stewards of public resources, we remain steadfast in our commitment to the principles of transparency and accountability, ensuring that every decision and action contributes to a future marked by prosperity and shared progress. This Integrated Report provides an opportunity for stakeholders to engage with our ongoing efforts to refine our systems, build trust, and further embed sustainability within our operations.

We invite you to explore the key insights, challenges, and successes of this past year, as we continue to strengthen BURS's position as a catalyst for positive change. Our journey is not just about collecting revenue—it is about creating a framework for long-term societal impact, where tax administration becomes a vital tool for advancing inclusive development, good governance, and social harmony.

Together, let us embrace the opportunities of today while preparing for the challenges of tomorrow, working hand-in-hand towards a future defined by growth, shared prosperity, and enduring sustainability

WHO WE ARE

About Us

The Botswana Unified Revenue Service (BURS) was established by an Act of Parliament in 2004, the Botswana Unified Revenue Service Act of 2003 which came into operation in August 2004. The Botswana Unified Revenue Service (BURS) is responsible for the assessment and collection of taxes on behalf of the Government of Botswana.

Specifically, the Revenue Service is mandated to assess and collect the Income Tax, the Value Added Tax (VAT), the Capital Transfer Tax and the Transfer Duty. Further, it administers statutory controls at various border posts and other ports of entry. Furthermore, BURS collects Customs and Excise duties on behalf of the Southern African Customs Union (SACU). Other responsibilities include accounting for the revenue collected on behalf of other Government Agencies.

OUR VISION

Centre of Excellence in Revenue Mobilisation and Border Management

OUR MISSION

To enable the fair payment of taxes, facilitate trade and manage borders for the transformation of Botswana

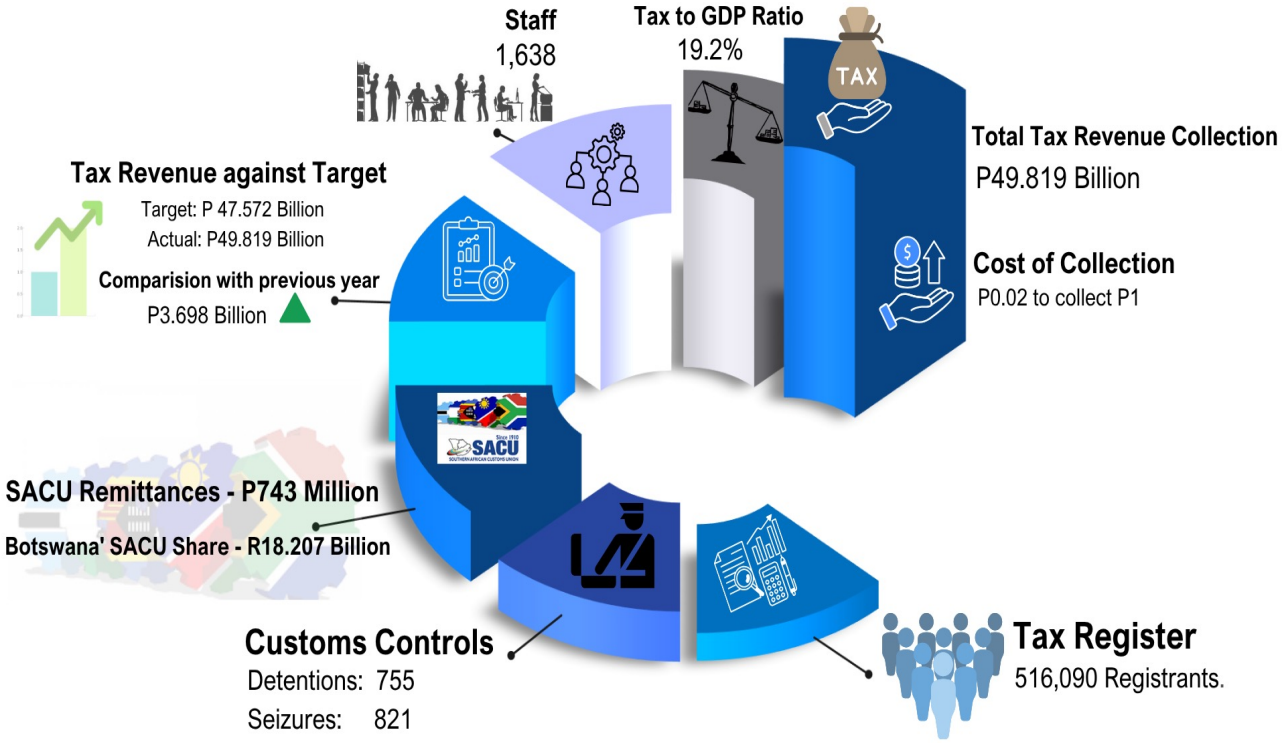
OUR CORE VALUES

Botho: We subscribe to the national aspiration of Botho, embracing trust and respect for one another.
Integrity: We uphold strong moral principles in all our dealings.
Accountability: We take responsibility for all our actions.
Innovation: We strive to improve our work – always seeking to introduce new ideas, methods and ways to improving our levels of service to our customers.
Teamwork: We work as a team, breaking silos and collaborating to improve our efficiencies and effectiveness
Our philosophy: Collecting for progress

KEY HIGHLIGHTS

This section offers an overview of BURS's performance in relation to key metrics essential for reaching strategic goals. It focuses on the most significant performance indicators, demonstrating how BURS track progress toward these objectives. By comparing performance data from the current year to prior years, it highlights the alignment of these metrics with BURS's overall mission and vision.

BURS performance snapshot



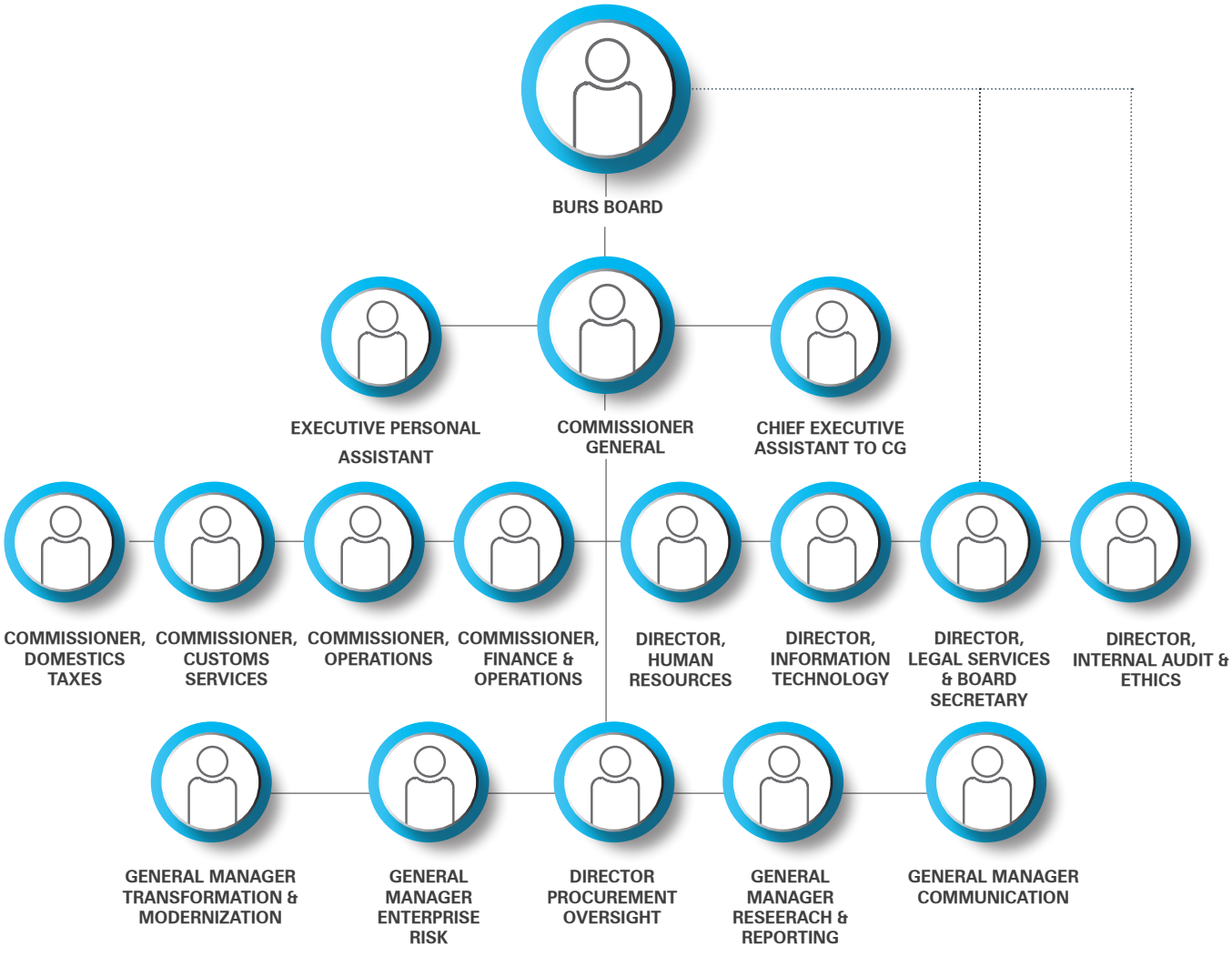
ORGANISATIONAL STRUCTURE

The BURS organizational structure establishes the framework of authority, roles, communication, and responsibilities that guide our operations in fulfilling our mandate and achieving strategic objectives. It defines a clear hierarchy, ensuring that each role is well-defined and that responsibilities are appropriately distributed across all levels of the organization. This clarity is essential for facilitating the flow of information, enabling efficient communication and swift decision-making at every level.

BURS operates under the oversight of the Ministry of Finance, reporting to the Board of Directors, who provide strategic direction and leadership. This governance framework reinforces the alignment of our operational structure with national objectives, ensuring that our efforts contribute to the broader economic goals set by the Ministry. This relationship strengthens our ability to respond to the changing needs of stakeholders and supports our commitment to effective service delivery.

During year under consideration, BURS embarked on a realignment project aimed at enhancing the efficiency of our organizational structure. This initiative is designed to ensure that our operations remain responsive to the evolving needs of the stakeholders we serve while improving internal coordination and overall effectiveness. The realignment is part of our ongoing commitment to optimizing our resources and aligning our structure more closely with strategic priorities, enabling us to meet the dynamic challenges of the tax and revenue environment.

Figure 1: BURS Organisational Structure



BURS is made up of nine Divisions namely: Customs Services Division (CSD), Domestic Taxes Division (DTD), Operations Division (OD), Finance & Administration Division (FAD), Human Resources Division (HRD), Information Technology Division (ITD), Internal Audit and Ethics Division (IAED), Legal Services Division (LSD) and the Office of the Commissioner General (OCG).

Office of the Commissioner General

The Office of the Commissioner General provides the strategic and operational leadership necessary for the organization to achieve its revenue targets and support the Government's efforts to expand the tax base, thereby boosting domestic revenue generation. This office is also responsible for overseeing key functions, including Communications, Transformation and Modernization, Research and Reporting, and Enterprise Risk Management, which play a vital role in driving organizational growth and ensuring sustained performance.

Customs Services Division

The Customs Services Division is responsible for providing strategic direction to the customs and excise operations, ensuring effective administration across all aspects. It develops policies, strategies, and programs while offering guidance on customs and excise management. The division also leads negotiations and facilitates regional & international trade and customs agreements to protect Botswana's interests. Additionally, it coordinates policy matters with the Botswana Government and engages with international organisations such as the International Monetary Fund (IMF), World Bank, World Customs Organisation (WCO), World Trade Organisation (WTO), Southern African Customs Union (SACU) ensuring alignment with global standards and practices.

Domestic Taxes Division

This Division is responsible for providing strategic direction in the development of legislation, policies, and strategies related to Domestic Taxes. It ensures consistency in the interpretation and application of tax laws, including the Income Tax, VAT, Transfer Duty, and Capital Transfer Acts. The Division also plays a key role in leading and advising on matters concerning the international tax landscape, including the determination and negotiation of tax agreements and treaties.

Internal Audit and Ethics Division

The Internal Audit and Ethics function operates independently to support BURS in achieving its objectives by applying a systematic and disciplined approach to evaluating and enhancing the effectiveness of risk management, control, and governance processes. It fulfills this role by monitoring, reviewing, investigating, and verifying the organization's activities and operations to ensure integrity, efficiency, and adherence to internal control systems and procedures. Additionally, the function promotes ethical conduct across the organization, fostering a culture of accountability, consistency and compliance.

Legal Services Division

The Legal Services Division serves a dual purpose in administering the BURS Act and Revenue Laws. Led by the Secretary to the Board, who oversees the legal affairs of the Revenue Service, the Division provides legal advice and support to the Commissioner General on matters related to the BURS Act, Revenue Laws, and other legislation that affects the organization's operations. This guidance ensures that BURS remains compliant with relevant legal frameworks while effectively carrying out its mandate.

Finance and Administration Division

The Finance and Administration Division is responsible for accounting for revenue collected by BURS in accordance with various revenue and non-tax statutes, as well as accounting for government subventions and related expenditure transactions. Additionally, the Division is responsible for planning, organizing, and overseeing the delivery of cost-effective, value-for-money support services across several areas, including Infrastructure Development Projects, Facilities Management, Fleet Management, General Administration, and Security Services.

Human Resources Division

The Human Resources Division is dedicated to ensuring that BURS implements effective policies and a strategic approach to the acquisition, motivation, development, and management of its human resources. This Division plays a crucial role in fostering an appropriate organizational culture that aligns with the mission and objectives of BURS. It actively introduces programs and initiatives that reflect and support the core values of the Revenue Service, such as integrity and accountability.

In addition to recruitment and talent management, the Division focuses on employee engagement and continuous professional development, providing training and career advancement opportunities to enhance staff skills and competencies. By prioritizing a positive work environment and promoting a culture of collaboration and respect, the Human Resources Division aims to empower employees, drive organizational performance, and ultimately contribute to the overall success of BURS in fulfilling its mandate.



Information Technology Division

The Information Technology Division is responsible for delivering comprehensive information technology services that support the various service delivery functions of BURS. This role involves strategic technology planning, the establishment of standards and procedures, and the acquisition of technology solutions. The Division operates in both a supportive and oversight capacity, ensuring the quality and effectiveness of the IT components in all business system initiatives.

In addition to managing IT infrastructure and systems, the Division plays a pivotal role in enhancing operational efficiency through the implementation of innovative technological solutions. It works closely with all divisions to assess their IT needs, providing tailored support that aligns with the organization's goals. By fostering a culture of continuous improvement and technological advancement, the Information Technology Division ensures that BURS remains at the forefront of digital transformation, ultimately improving service delivery and stakeholder engagement.

Operations Division

The Operations Division is responsible for the on-the-ground delivery of BURS services, ensuring that taxpayers receive the support and assistance they need. This Division encompasses several key sections, including the Investigations, Compliance & Enforcement Section, Returns Processing Section, Taxpayer Service Section, Customs Declaration Processing Centre and Call Centre. Additionally, it oversees the operations of Regional and Inland offices, as well as all Ports of Entry.

By coordinating various functions, the Operations Division plays a critical role in ensuring compliance with tax and customs laws and regulations. It focuses on making processes efficient and responsive to taxpayer needs while maintaining high standards of service quality. The Division also undertakes agency work at ports of entry, performing tasks on behalf of other government departments. This collaboration is essential for upholding regulatory standards, ensuring the seamless processing of goods and travellers, and safeguarding national interests.

By integrating tax compliance efforts with other regulatory functions at the borders, BURS strengthens enforcement and contributes to the broader mandate of enhancing government service delivery at critical entry points. Additionally, the Division prioritizes communication and collaboration across its sections, aiming to provide a seamless experience for taxpayers and traders while fostering a culture of accountability and transparency within the organization. Through these comprehensive efforts, the Operations Division significantly enhances BURS overall effectiveness in fulfilling its mandate.

CORPORATE GOVERNANCE



Corporate governance continues to gain prominence both locally and globally, as evidenced by various established frameworks such as the King Code, COSO, and COCO Cadbury. These guidelines are designed to enhance governance standards by providing fundamental principles that organizations should follow. Notably, BURS is required to comply specifically with the King Code.

Throughout the reporting period, BURS remained fully committed to upholding the principles of the King Code of Corporate Governance. Consequently, we have compiled a detailed report in alignment with the King IV Code, emphasizing the following key focus areas:

1. **Leadership:** Promoting strong, ethical leadership practices that guide the organization's operations and decision-making.

2. **Ethics and Corporate Citizenship:** Upholding ethical standards, responsible business conduct, and a commitment to corporate citizenship.

3. **Strategy, Performance, and Reporting:** Ensuring accountability and transparency in strategic planning, performance measurement, and reporting processes.

4. **Governance Structure and Delegation:** Maintaining a well-defined governance framework that supports effective decision-making, accountability, and appropriate delegation of authority.

5. **Governance Functional Areas:** Strengthening governance functions such as risk management, compliance, and internal controls to minimize risks and ensure regulatory adherence.

6. **Stakeholder Engagement:** Fostering open, transparent, and constructive communication with stakeholders to build trust and mutual understanding.

By adhering to the King IV Code, BURS reinforces its dedication to the highest standards of corporate governance, fostering trust, accountability, and long-term value creation for all stakeholders.

BOARD OF DIRECTORS



BOARD CHAIRMAN
Dr. Lesedi S. Senatla



MEMBER
Ms. Boitumelo Gofhamodimo



MEMBER
Dr. Pinkie G. Kebakile



MEMBER
Mr. Gerald N. Nthebolan



MEMBER
Mr. Pono W. Molatlhwe



MEMBER
Mr. Benjamin Tobedza



MEMBER
Mr. Mishingo H. Jeremia



MEMBER
Mr. Lameck Nthekela

BURS EXECUTIVE COMMITTEE



COMMISSIONER GENERAL
Ms. Jeanette C. Makgolo



COMMISSIONER OPERATIONS
Mr. Phodiso P. Valashia



COMMISSIONER FINANCE AND ADMINISTRATION
Ms. Ediretse C. Mokara



COMMISSIONER DOMESTIC TAXES
Mr. Tutu P. Bakwena



COMMISSIONER CUSTOMS SERVICE
Mr Segolo Lekau



DIRECTOR HUMAN RESOURCES
Ms. Mama M. Maite



DIRECTOR INFORMATION TECHNOLOGY
Ms. Lebesani C. Mosweu



DIRECTOR INTERNAL AUDIT & ETHICS
Mr. Lovemore Katukula



DIRECTOR PROCUREMENT OVERSIGHT
Mr. Kgakgamalo K. Ketshajwang



DIRECTOR LEGAL SERVICES
Ms. Motsisi Mongati



GENERAL MANAGER ENTERPRISE RISK MANAGEMENT
Mr. Obakeng Okgethile



GENERAL MANAGER RESEARCH & REPORTING (Acting)
Mr. Gosalamang Mane



GENERAL MANAGER TRANSFORMATION & MODERNISATION
Mr. Ephraim T. Kentse



GENERAL MANAGER COMMUNICATIONS
Ms. Mable B. Bolele

Composition of the Board

The BURS Board of Directors is composed of a Non-Executive Chairperson, Members drawn from the Public, Parastatal, and Private sectors, as well as the Commissioner General. The Board appointments are made by the Minister of Finance and Economic Development, in line with the provisions outlined in Section 5 of the BURS Amendment Act, 2020.

Board of Directors

NAME	ROLE	TENURE	DUTIES
Dr. Lesedi S. Senatla	Chairperson & Board Member	01 April 2022 – 31 March 2024	The Board's primary responsibilities include the approval of the business and corporate plans of BURS, determining BURS' vision and values and giving strategic direction to BURS, identifying key risk areas and key performance indicators of BURS' business, monitoring the performance of BURS against agreed objectives, prescribing such administrative measures as may be required to safeguard the tax revenues, approving a code of conduct for the Revenue Service, advising on significant financial matters pertaining to BURS and reviewing the performance of the Commissioner General against defined objectives and other applicable performance standards.
Dr. Pinkie G. Kebakile	Board Member	10 December 2020 - 09 December 2024	
Mr. Benjamin Tobedza	Board Member	01 April 2021 – 31 March 2025	
Mr. Gerald Nthebolan	Board Member	01 April 2021 – 31 March 2025	
Mr. Pono W. Molatlhwe	Board Member	01 April 2021 – 31 March 2025	
Mr. Mishingo H. Jeremia	Board Member	01 April 2022 - 31 March 2026	
Ms. Boitumelo S. Gofhamodimo	Board Member	10 December 2020 – 31 December 2022	
Mr. Lameck Nthekela	Board Member	10 December 2020 – 31 December 2022	
Ms. Jeanette C. Makgolo	Commissioner General	01 August 2021 – 31 July 2026	

Board of Directors Meetings Attendance

Name	Position	21/06/22	6/07/22	12/07/22	26/09/22	18/10/22	25/10/22	10/11/22	19/12/22	6/03/23	27/03/23	AMOUNT
Dr. L. S. Senatla	Chairperson	√√√	√	√√√	√√√	√	√√√	√√√	√√√	√√√	√√√	**P18, 000**
Mr. G. Nthebolan	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P18, 900**
Dr. P. G. Kebakile	Member	√√√	N/a	√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P14, 400**
Mr. B. Tobedza	Member	√√√	N/a	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P16,200**
Mr. P.W. Molatlhwe	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P18, 000**
Mr. L. Nthekela	Member	√√√	N/a	√√√	√√√	√√√	√√√	√	√	X	X	**P9, 000**
Mr. M. H. Jeremia	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√	**P16, 200**
Ms. B. S. Gofhamodimo	Member	√√√	√√√	√	√	√	√	√	√√√	X	√√√	**P7, 200**
Mr. O. H. Masimega	Member	√	√	√	√	√	√	√	X	X	X	**N/a**
Ms. J. C. Makgolo	Commissioner General	√√√	√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**N/a**
Ms. M. Mongati	Board Secretary & Director Legal Services	√√√	√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**N/a**

KEY

√√√	Attended
√	Apology
X	Pre/Post term
EO	Extra Ordinary Board/Committee meeting
CS	Closed Session
N/a	Not applicable

Role and Responsibilities of the Board

The Board plays a crucial role in setting the strategic direction for BURS, ensuring that its operations align with the organization's vision and objectives. Its primary responsibilities include:

Approval of Corporate Strategy and Annual Business Plans: The Board holds the responsibility for approving BURS's overarching strategic plan, including the annual corporate business plans that direct the organization's activities. In this capacity, the Board establishes BURS's Vision, Mission, and Values, along with strategic objectives that define the organization's direction and priorities.

Identifying Key Risk Areas:
The Board identifies areas of potential risk and mitigation strategies for the success of BURS's operations.

Monitoring Performance: The Board regularly reviews BURS's performance to assess progress against established objectives and targets. This oversight ensures that the organization operates efficiently and meets its performance goals.

Safeguarding Tax Revenues:
The Board prescribes administrative measures necessary to protect the integrity of tax revenues.

Approval of the Code of Conduct: The Board is responsible for overseeing the development of BURS's Code of Conduct and formally approves it to promote high ethical standards throughout the organization.

Advising on Financial Matters:
It provides guidance on significant financial issues affecting BURS, ensuring sound financial management practices.

Reviewing the Commissioner General's Performance:
The Board evaluates the performance of the Commissioner General, based on set objectives and standards.

Meeting Frequency and Governance Practices
As stipulated by its statutory mandate, the Board must convene at least four times annually to ensure robust

oversight of BURS's operations and to conduct periodic evaluations of the organization's performance. In addition to these requirements, the Board members are expected to uphold transparency and accountability. Each year, members disclose their interests and assets, and at each meeting, they declare any potential conflicts of interest related to the agenda items.

In the year under review, the Board exceeded the minimum meeting requirement, convening a total of seven times. This proactive approach demonstrates the Board's commitment to maintaining effective control and oversight of BURS's operational and strategic initiatives. The regular meetings ensured thorough discussions on critical issues, timely decision-making, and a continuous focus on advancing BURS's goals.

Commitment to Sound Governance

The governance structure adopted by BURS is designed to uphold the highest standards of accountability and transparency. The Board's dedication to sound governance principles is evident in its rigorous approach to strategic planning, risk management, and performance evaluation. By consistently monitoring progress and addressing challenges proactively, the Board ensures that BURS remains aligned with its mission of optimizing revenue collection and supporting the nation's economic development.

Through its leadership and strategic oversight, the Board of Directors plays a pivotal role in guiding BURS toward sustainable growth and operational efficiency. As the organization continues to adapt to changes in the economic and regulatory landscape, the Board's governance practices will remain integral to fostering an environment of trust, accountability, and resilience.

Board Committees

Section 9 (1) of the BURS Amendment Act empowers the Board to appoint Committees. The Committees may be of a general or special nature, consisting of a number of Members, with such qualifications, as the Board may determine. Further, the Board may delegate any of its powers, functions or duties under the Act to the appointed Committees. The Board has appointed the following Committees, namely; the Board Audit and Finance Committee (BAFC), the Board Human Resources Committee (BHRC) and the Board Strategy Committee (BSC). The Board may further appoint co-opted Members who are specialists in the identified fields.

The following table sets out the composition of the Board Committees and their mandates. In terms of Section 10 of the BURS Amendment Act, the Board may appoint co-opted Members to serve as Committee Members. Members marked in asterisk are co-opted Members.

Board Audit and Finance Committee

NAME	ROLE	DUTIES
Dr. Lesedi S. Senatla	Committee Chairperson & Board Member	The Committee is charged with the oversight responsibilities and providing direction in the assessment of effectiveness of BURS systems of Risk Management Internal Controls, Governance and Compliance. The Committee also oversees the review of financial performance in line with corporate strategy and budgets, as well as the review of audited financial statements with the external auditors prior to the approval by the Board. The Committee is also functionally responsible for the Internal Audit Function.
Mr. Gerald Nthebolan	Committee Member & Board Member	
Mr. Benjamin Tobedza	Committee Member & Board Member	
Mr. Lameck Nthekela	Committee Member & Board Member	
* Mr. Bright-Moses Motsu	Co-opted Member	
Ms. Jeanette C. Makgolo	Committee Member & Commissioner General	

Board Audit and Finance Committee Meeting Attendance

NAME	Position	5/05/22	10/05/22	10/06/22	19/08/22	13/09/22	14/10/22	19/10/22	24/10/22	14/12/22	AMOUNT
Dr. Lesedi S. Senatla	Chairperson	√√√	√√√	√√√	X	X	X	X	√√√	X	P9, 000
Mr. Lameck Nthekela	Chairperson/ Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√	√√√	P16, 650
Mr. Gerald Nthebolan	Member	√√√	√√√	√	√√√	√√√	√√√	√√√	√√√	√√√	P14, 400
Mr. Benjamin Tobedza	Member	√√√	√√√	√√√	X	X	X	X	√√√	X	P7, 200
* Mr. Bright-Moses Motsu	Member	√	√	√√√	√√√	√√√	√√√	√	√√√	X	P9, 000
Mr. S. Lekau	Acting Commissioner General	N/a	N/a	N/a	N/a	√√√	N/a	N/a	N/a	N/a	N/a
Ms. J. C. Makgolo	Commissioner General	√	√√√	√√√	√√√	√	√√√	√√√	√√√	√√√	N/a
Ms. E. C. Mokara	Acting Commissioner General	√√√	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Ms. M. Mongati	Board Secretary & Director Legal Services	X	X	√	√	√√√	√√√	√√√	√	√√√	N/a
Ms. L. Mafukidze	Acting Board Secretary & Director Legal Services	√	√	√√√	N/a	N/a	N/a	N/a	√√√	N/a	N/a

Board Tender Committee

NAME	ROLE	DUTIES
Mr. Gerald Nthebolan	Chairperson	The Committee is responsible for adjudication of tenders in respect of the procurement of goods and services valued at above P5,000,000.00 (P5 million), as well as all matters incidental to procurement.
Dr. Lesedi S. Senatla	Committee Member & Board Member	
Ms. Boitumelo S. Gofhamodimo	Committee Member & Board Member	
Mr. Benjamin Tobedza	Committee Member & Board Member	
* Mr. Molefe Mokopakgosi	Co-opted Member	
* Ms. Mercy B. Conlon-Phuthego	Co-opted Member	
Ms. Jeanette C. Makgolo	Committee Member & Commissioner General	

Board Tender Committee Meeting Attendance

NAME	Position	31/01/22 EO	1/03/22	11/04/22	AMOUNT
Mr. Gerald Nthebolan	Chairperson	√√√	√√√	√√√	P6, 750
Dr. Lesedi S. Senatla	Member	√√√	√√√	√√√	P5, 400
Mr. Benjamin Tobedza	Member	√√√	√√√	√√√	P5, 400
* Mr. Molefe Mokopakgosi	Member	√√√	√√√	√√√	P5, 400
* Ms. Mercy B. Conion-Phuthego	Member	√√√	√√√	√√√	P5, 400
Ms. J. C. Makgolo	Commissioner General	√√√	√	√√√	N/a
Mr. P.P. Valashia	Acting Commissioner General	N/a	√√√	N/a	N/a
Mr. K. Tshane	Acting Board Secretary & Director Legal Services	√√√	√√√	N/a	N/a
Ms. T. Outlule	Acting Board Secretary & Director Legal Services	N/a	N/a	√√√	N/a

Board Human Resources Committee

NAME	ROLE	DUTIES
Mr. Pono W. Molatlhwe	Committee Chairperson & Board Member	The Committee deals with the recruitment of senior members of staff and remuneration policy of all BURS staff, and advises the Board on all staff welfare and human resources related matters.
Ms. Boitumelo S. Gofhamodimo	Committee Member & Board Member	
Dr. Pinkie G. Kebakile	Committee Member & Board Member	
Mr. Mishingo H. Jeremia	Committee Member & Board Member	
Mr. Benjamin Tobedza	Committee Member & Board Member	
Ms. Jeanette C. Makgolo	Committee Member & Commissioner General	

Board Human Resources Committee Meeting Attendance

NAME	POSITION	21/04/22	8/07/22 EO	12/07/22	23/08/22	1/09/22 EO	10/10/22	2/11/22	23/11/22	7/12/22	AMOUNT
Mr. Pono W. Molatlhwe	Chairperson	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	P20, 250
Dr. Pinkie G. Kebakile	Member	√√√	X	X	X	X	X	X	X	X	P1, 800
Ms. Boitumelo S. Gofhamodimo	Member	√	√√√	X	X	X	X	X	X	X	P1, 800
Mr. Benjamin Tobedza	Member	X	X	√√√	√√√	√√√	√√√	√√√	√√√	√√√	P12, 600
Mr. Mishingo H. Jeremia	Member	X	X	√√√	√√√	√√√	√√√	√√√	√√√	√√√	P12, 600
Ms. Jeanette C. Makgolo	Commissioner General	√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	N/a
Mr. T. Bakwena	Acting Commissioner General	√√√	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Ms. M. Mongati	Board Secretary & Director Legal Services	X	√√√	√√√	√√√	√	√	√√√	√√√	√√√	N/a
Mr. K. Tshane	Acting Board Secretary & Director Legal Services	√√√	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a

Board Strategy Committee

NAME	ROLE	DUTIES
Ms. Boitumelo S. Gofhamodimo	Committee Chairperson & Board Member	The Committee is responsible for providing oversight duties with regards to the development and monitoring the implementation of the Botswana Unified Revenue Service (BURS) Strategy.
Dr. Pinkie G. Kebakile	Committee Member & Board Member	
Mr. Benjamin Tobedza	Committee Member & Board Member	
Mr. Pono W. Molatlhwe	Committee Member & Board Member	
Dr. Lesedi S. Senatla	Committee Member & Board Member	
Mr. Lameck Nthekela	Committee Member & Board Member	
Mr. Gerald Nthebolan	Committee Member & Board Member	
Ms. Jeanette C. Makgolo	Committee Member & Commissioner General	

Board Strategy Committee Meeting Attendance

NAME	POSITION	8/06/22	16/06/22	AMOUNT
Ms. Boitumelo S. Gofhamodimo	Chairperson	√√√	√√√	P4, 500
Dr. Pinkie G. Kebakile	Member	√√√	√√√	P3, 600
Mr. Benjamin Tobedza	Member	√√√	√√√	P3, 600
Mr. Pono W. Molatlhwe	Member	√√√	√√√	P3, 600
Mr. Lameck Nthekela	Member	√	√√√	P1, 800
Ms. J. C. Makgolo	Commissioner General	√√√	√√√	N/a
Ms. M. Mongati	Board Secretary & Director Legal Services	√	√√√	N/a

MESSAGE FROM THE CHAIRMAN



I am pleased to present the Botswana Unified Revenue Service (BURS) Integrated Report for the financial year ending March 31st, 2023, to the Honourable Minister of Finance and Economic Development.

This report provides a comprehensive overview of BURS's operational performance, highlighting key areas such as revenue collection, strategic execution, corporate governance, stakeholder engagement, and the continued strengthening of operational efficiency. Our commitment to transparency and accountability remains steadfast, and this document serves as a testament to our ongoing efforts to enhance the organization's role in supporting the fiscal sustainability and economic recovery of Botswana.

Economic Recovery and Revenue Performance

The 2022/23 financial year marked a turning point in our nation's recovery from the devastating impacts of the COVID-19 pandemic. With the successful implementation of the Government's vaccination strategy and the easing of pandemic-related restrictions, Botswana's economy showed positive signs of recovery, reflecting a return to growth. As the economy regained momentum, BURS witnessed a remarkable rebound in revenue collection, underscoring the resilience of our strategies and the collective efforts of our team.

Total tax revenue for the year amounted to P49.825 billion, representing a substantial increase from the P46.122 billion collected in the previous year. This growth of nearly P3.7 billion is a clear indicator of the improving economic conditions and the effectiveness of BURS's ongoing efforts to optimize tax collection processes. The 2022/23 performance exceeded expectations and reflects the strengthening of our revenue mobilization strategies, which are closely aligned with the Government's fiscal goals.

While the post-pandemic environment presented new challenges, the recovery in revenue collection is a testament to the successful adaptation of our tax policies and the efficient implementation of our operational strategies. The increase in revenue is crucial in supporting the Government's efforts to stabilize and grow the economy, and we are committed to continuing our work in fostering economic growth, social development, and sustainable public finances.

BURS Projects and Initiatives

During the year under review, the Botswana Unified Revenue Service (BURS) made significant progress on a number of strategic projects aimed at enhancing operational efficiency, improving customer experience, and strengthening the security and integrity of its systems. The following highlights key developments across various initiatives:

Completed Projects

1. Canine Facility at Tlokweng Border Post

BURS successfully completed the construction of modern canine facility at the Tlokweng Border Post. This facility is designed to enhance the country's capacity to combat

cross-border smuggling, drug trafficking, and other illicit activities by deploying trained sniffer dogs. The establishment of this facility is part of BURS's broader strategy to strengthen border security and improve the effectiveness of customs and excise operations, particularly in areas of high risk for illegal goods movement.

2. CISCO Identity Service Engine (ISE) Project
In line with BURS's commitment to securing its ICT infrastructure, the organization completed the implementation of the CISCO Identity Service Engine (ISE). This advanced network security solution is pivotal in reducing security risks, mitigating threats, and ensuring compliance. It dynamically controls network access by segmenting endpoints based on roles, device types, and security posture, providing a more robust defense against potential cyber threats. This system is critical to enhancing BURS's ability to manage access to sensitive data and systems, ensuring the confidentiality, integrity, and availability of its digital resources.

3. Customer Centricity Project
BURS also embarked on the Customer Centricity Project aimed at improving the overall customer experience for taxpayers and other stakeholders. Recognizing the importance of efficient service delivery, this project seeks to optimize customer interactions across all touchpoints. By leveraging technology and process improvements, BURS aims to reduce turnaround times, simplify tax-related procedures, and provide more personalized services. The project is expected to improve satisfaction levels and increase compliance by making the tax administration process more transparent, accessible, and user-friendly.

Ongoing Projects

In addition to the new initiatives launched, several major projects continued during the year under review:

1. Refurbishment of Mamuno Border Post
The ongoing refurbishment of the Mamuno Border Post is aimed at improving infrastructure and operational efficiency at one of Botswana's key border entry points. The upgrades will include the construction of new facilities for customs, immigration, and other border control agencies, providing better services for travellers and traders, as well as enhancing security and customs clearance procedures.

2. Construction of the One-Stop Border Post at Pioneer
The One-Stop Border Post (OSBP) at Pioneer is a collaborative initiative with South Africa to facilitate more efficient cross-border trade and movement of people. The OSBP model allows both Botswana and South Africa to share facilities and reduce delays at the border, enhancing trade flow and economic integration.

3. National Single Window (NSW) and Fiscal Marking and Monitoring Solution Projects
BURS continues to advance the National Single Window (NSW) project, which aims to streamline the submission and processing of trade-related documents. This system will allow businesses to submit regulatory documents to a single platform, improving efficiency, reducing paperwork, and minimizing delays. Additionally, the Fiscal Marking and Monitoring Solution is being developed to improve the tracking and taxation of goods through the use of modern fiscal marking technologies. These initiatives are expected to modernize Botswana's trade facilitation processes, boost efficiency, and reduce the risk of revenue leakage.

4. Audit and Optimisation of Tax Administration and ICT Systems
As part of its continuous improvement efforts, BURS initiated a comprehensive Audit and Optimisation Project to evaluate and enhance its tax administration and ICT systems. This initiative is designed to identify inefficiencies, streamline processes, and ensure that BURS's systems remain modern, agile, and capable of meeting the evolving needs of the tax environment. The audit will result in a series of recommendations and reforms that will enhance the organization's operational capabilities and service delivery.

Challenges
In the financial year 2022/23, BURS faced ongoing tax compliance challenges, though the impact of COVID-19 had lessened. The slow economic recovery and continued financial pressures on businesses affected their ability to meet tax obligations, including settling outstanding and deferred payments. Issues such as late payments, smuggling, and undervaluation of goods persisted, making compliance more difficult.

To address these challenges, BURS implemented a comprehensive Revenue Mobilization Strategy that improved revenue collection and aligned tax administration with broader economic goals. Additionally, BURS strengthened key operational units, such as the Post Clearance Audit Team and the Anti-Money Laundering and Anti-Smuggling units, which enhanced the agency's ability to detect and manage non-compliance. BURS also remained committed to meeting international standards, investing in staff training and resources to address complex tax issues effectively.

Acknowledgements

On behalf of the Board, I express deep appreciation for the unwavering support from our Board, management, staff, taxpayers, and international partners. Their dedication has been pivotal in helping BURS navigate a year of recovery and transformation.

I especially thank the BURS management and staff for their tireless efforts and resilience, which contributed significantly to the success of our Revenue Mobilization Strategy. Their hard work has played a crucial role in boosting revenue collection.

We also appreciate the cooperation of our taxpayers, whose continued commitment is essential for Botswana's development, as well as the technical support from our international partners, which has been invaluable in enabling BURS to meet global standards.

Lastly, we thank the Honourable Minister of Finance and Economic Development for their leadership and continued guidance, which have been instrumental in our success.

With the dedication of our team and the support of our stakeholders, BURS is well-positioned to continue driving positive change and contributing to Botswana's economic growth. We look forward to building on this momentum, strengthening our capacity, and supporting the Government's sustainable development goals.



Dr. Lesedi S. Senatla
Board Chairperson

ASSURANCE STATEMENT BY THE CHAIRPERSON OF THE AUDIT AND FINANCE COMMITTEE



As chairperson of the Audit and Finance Committee, I am committed to ensuring the highest standards of competence and independence in both our internal and external audit functions. The integrity of BURS's financial reporting depends on thorough oversight, which guarantees that our financial statements accurately reflect our true position. Our internal audit team plays a crucial role in evaluating the effectiveness of controls, identifying areas for improvement, and ensuring compliance with policies. We also maintain a rigorous process for selecting external auditors, ensuring their objectivity and independence.

Commitment to Strong Governance

We understand that reliable, transparent financial reporting is essential to maintaining the trust of all our stakeholders, including the Ministry of Finance, employees, taxpayers, and the public. By adhering to rigorous auditing practices and robust internal controls, we uphold the highest ethical standards and ensure that our financial statements provide an accurate representation of BURS's performance. This strengthens our commitment to ethical governance and accountability.

The Role of Internal Controls

Internal controls are fundamental to our governance framework, ensuring that operations are conducted efficiently and in alignment with BURS's strategic goals. The Audit and Finance Committee is dedicated to overseeing the continuous evaluation and enhancement of these controls to address emerging risks. Our proactive approach helps safeguard assets, mitigate operational risks, and protect BURS's reputation.

Adapting to a Changing Environment

In today's dynamic environment, it is essential that we remain adaptable. The Committee is committed to improving our risk management practices and auditing processes to address evolving challenges. By continuously refining our governance framework, we enhance stakeholder confidence, ensure long-term sustainability, and position BURS for success in an increasingly complex world.

As we move forward, our focus on transparency, accountability, and continuous improvement will guide our efforts to maintain the highest standards in financial reporting and governance. We remain committed to safeguarding the interests of our stakeholders and ensuring that BURS continues to operate with integrity and excellence.



Dr. Lesedi S. Senatla
Audit and Finance Committee Chairperson

MESSAGE FROM THE COMMISSIONER GENERAL

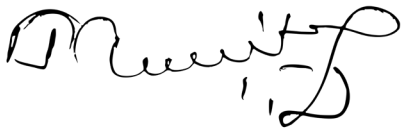


The 2022/23 financial year marked a significant recovery following the challenges of the COVID-19 pandemic, and we are proud of the progress made in our operations and revenue collection. We achieved a notable 8% growth in total revenue, rising from P46.122 billion in 2021/22 to P49.825 billion in 2022/23, thanks to the successful implementation of our Revenue Mobilization Strategy (RMS).

The RMS has been instrumental in driving this growth by enhancing tax compliance, improving operational efficiency, and fostering better engagement with taxpayers. These efforts have aligned our tax administration with Botswana's broader economic goals, helping to stabilize the country's revenue base as we emerge from the pandemic's impact. This success would not have been possible without the dedication and resilience of the BURS team, who worked tirelessly to improve tax processes and identify new revenue sources.

We also owe much of our success to the continued support of the people of Botswana—our taxpayers. Their voluntary compliance and commitment to timely tax payments have been fundamental in helping us meet our revenue targets and contribute to the country's recovery. We extend our heartfelt gratitude to them and encourage continued support, as every contribution is vital for the nation's long-term growth and prosperity.

Finally, I would like to acknowledge the critical role played by our stakeholders, including government ministries, professional bodies like the Botswana Institute of Chartered Accountants, and international partners such as the IMF, ATAF, OECD, and WCO. Their collaboration, technical support, and guidance have helped us improve our operations and stay aligned with global best practices. We also appreciate the leadership and oversight of the Honourable Minister of Finance and the BURS Board, whose continued support is driving us toward greater success. Moving forward, we remain focused on optimizing revenue collection, enhancing service delivery, and contributing to Botswana's long-term economic prosperity. Thank you for your ongoing support.



J.C. Makgolo
Commissioner General

OUR OPERATIONS

BURS Operational Framework

Botswana's tax collection system is structured to ensure efficiency, transparency, and adherence to tax laws, with the Botswana Unified Revenue Service (BURS) as the central agency responsible for overseeing tax collection. The system encompasses multiple types of taxation, including income tax, VAT, customs duties, and other levies.

Regulatory Framework: The taxation process is governed by a solid legal framework, including:

- The **Income Tax Act**, which regulates the taxation of individuals and entities.
- The **VAT Act**, which governs the collection of value-added tax on goods and services.
- The **Customs and Excise Duty Acts**, which manage duties on imported and exported goods.

These laws collectively form a comprehensive tax regime aimed at promoting compliance and supporting economic growth.

Strategies for Compliance and Efficiency: BURS employs various strategies to ensure effective tax collection and encourage voluntary compliance:

1. **Taxpayer Education and Outreach:** BURS educates taxpayers through programs that raise awareness of tax obligations.
2. **Technology Integration:** BURS has implemented online filing and payment systems, making tax compliance easier and more efficient.
3. **Rigorous Enforcement:** BURS uses audits, investigations, and advanced tools (e.g., scanners and sniffer dogs) to combat tax evasion, while cooperating with international bodies to maintain global standards.

Commitment to Fairness and Economic Development: BURS's model emphasizes a balance between enforcement and support for taxpayers, aiming to foster fairness, economic growth, and fiscal sustainability. By leveraging technology and maintaining strict compliance measures, BURS strives to ensure a tax system that is both equitable and adaptable to global standards, ultimately contributing to Botswana's position in the global economy.

Our Strategy

Strategic Direction and Objectives

Organizational strategy is a guiding framework that outlines clear objectives, actionable plans, and success metrics to achieve set goals. At BURS, we have developed a comprehensive five-year strategic plan (2019-2024) to steer our growth and refine our value propositions. This roadmap helps us assess performance, monitor progress, and make necessary adjustments, ensuring alignment with our mission and vision amid changing external conditions. It also enables informed decision-making, efficient resource allocation, and proactive risk management.

Our strategy prioritizes optimizing revenue generation while maintaining cost efficiency. We are focused on streamlining operations and leveraging technology to modernize tax administration. A key goal is to transition to a paperless environment, which will not only improve operational efficiency and reduce costs but also enhance the taxpayer experience. By digitizing workflows and adopting electronic documentation, we are contributing to environmental sustainability by lowering our carbon footprint.

Value Creation Model

BURS employs a dynamic and integrated value creation model that seamlessly aligns economic, social, and environmental priorities to drive sustainable development. This holistic framework enables BURS to not only fulfil its core mandate of revenue collection but also to make a lasting, positive impact on Botswana's economy, society, and environment. Grounded in responsible governance and sustainability principles, this model is designed to generate long-term benefits for all stakeholders. By embracing innovation, strategic foresight, and operational excellence, BURS positions itself as a catalyst for economic prosperity, social advancement, and environmental stewardship in Botswana. The value creation model is outlined as follows:

Inputs

BURS's value creation journey begins with a range of critical inputs that support its operations:

Financial Resources: This includes subvention from the Government and retention from agency work, ensuring the sustainability of revenue collection activities.

Human Capital: The expertise and dedication of employees play a fundamental role in achieving strategic objectives.

Intellectual Capital: BURS benefits from strategic direction provided by its Board, innovative capacity, and a strong foundation in research and planning.

Value Creation Processes

To transform these inputs into tangible value, BURS focuses on key strategic areas:

Promoting Voluntary Compliance: Encouraging taxpayers to meet their obligations willingly, reducing enforcement costs.

Streamlining and Simplifying Processes: Making tax compliance more efficient and accessible.

Promoting Taxpayer Education: Empowering citizens with knowledge to navigate tax responsibilities effectively.

Digital Transformation: Leveraging technology to enhance efficiency and accessibility through e-services and digital platforms.

Trade Facilitation: Enhancing cross-border trade efficiency to support economic growth.

Customs Enforcement: Strengthening border security and curbing illicit trade.

Our Channels: BURS also actively promotes its service channels to enhance accessibility:
- *E-services:* Digital platforms that allow seamless tax filing and compliance.
- *M-Tax (Mobile App):* A user-friendly application enabling taxpayers to manage their tax obligations conveniently.
- *Call Centre & Customer Service Desk:* Providing direct support and assistance to taxpayers.

Outputs and Outcomes
As a result of these structured processes, BURS delivers significant economic and social benefits:

Tax Revenue Collection: Including Income Tax, Value Added tax (VAT), and Customs revenue, which funds national development initiatives.

Satisfied Customers: Enhanced taxpayer experiences through efficient service delivery.

Simplified Tax Regime: Reducing the administrative burden for businesses and individuals.

Improved Compliance: Higher voluntary compliance rates leading to more predictable revenue streams.

Improved Movement of Goods: Facilitating trade and economic activities across Botswana's borders.

Improved Border Security: Strengthening national security through effective customs enforcement.

Knowledgeable Personnel: Continuous capacity building ensures a skilled workforce capable of adapting to emerging trends in tax administration.

Table 1: Value Creation Model

INPUTS	VALUE CREATION PROCESSES	OUTPUTS and OUTCOMES
❖ **Financial** ▪ Subvention from Government ▪ Retention from Agency Work ❖ **Human Capital** ▪ Employees ❖ **Intellectual Capital** ▪ Strategic Direction by the BURS Board ▪ Innovative Capacity ▪ Research and Planning	❖ **Strategic Focus** ▪ Promoting Voluntary Compliance ▪ Streamlining and Simplifying Processes ▪ Promoting Taxpayer Education ▪ Digital Transformation ▪ Trade Facilitation ▪ Customs Enforcement ❖ **Promoting our Channels** ▪ E-services ▪ M-Tax (Mobile App) ▪ Call Centre ▪ Customer Service Desk ❖ **Human Development**	❖ **Tax Revenue Collected** ▪ Income Tax ▪ Value Added Tax ▪ Customs Revenue ❖ **Satisfied Customers** ❖ **Simplified Tax Regime** ❖ **Improved Compliance** ❖ **Improved Movement of Goods** ❖ **Improved Border Security** ❖ **Knowledgeable Personnel**

Stakeholders

Our Commitment to Stakeholders

At BURS, we have a clear and vital mandate to enhance revenue collection and contribute to national development. However, we understand that fulfilling this mandate relies on the trust and cooperation of our stakeholders. We are deeply committed to these relationships, recognizing the crucial role they play in our success. At the heart of our mission is the conviction that providing value to our stakeholders is both a priority and a responsibility. Our goal is to consistently exceed their expectations, ensuring that every interaction is grounded in transparency, integrity, and mutual benefit.

Empowering Our Workforce for Stakeholder Success

In today's fast-paced and constantly evolving landscape, we recognize the importance of continuous adaptation. To effectively serve our stakeholders, we prioritize investing in our people by providing them with the latest skills, knowledge, and technologies. This ongoing commitment to employee development ensures that our workforce remains agile, responsive, and well-equipped to meet stakeholder needs. Additionally, we cultivate a culture of diversity and inclusion, where every individual is valued and respected, fostering an environment where innovation and collaboration can flourish.

Ethical Engagement with Partners and Suppliers

We are dedicated to upholding the highest standards of ethics in all our interactions with partners and suppliers. Our business relationships are founded on fairness, integrity, and trust, ensuring mutual benefit for all parties involved. We prioritize working with suppliers who align with our values and are committed to transparent procurement practices that deliver both value and accountability.

Investing in Communities and Environmental Stewardship

At BURS, we are committed to making a meaningful impact in the communities where we operate. We actively support community development through a range of initiatives, including educational programs, sponsorships, and charitable contributions. Our approach to community engagement is rooted in respect for local residents and a dedication to sustainable practices that protect the environment.

As part of our environmental stewardship efforts, we are embracing digital transformation by shifting toward a paperless operating model. This transition not only boosts operational efficiency but also aligns with our goal of minimizing our ecological footprint. Through sustainable resource management, energy conservation, and responsible waste practices, we are committed to preserving the environment for future generations.

Transparency and Stakeholder Engagement

At the heart of our approach lies a strong commitment to transparency and effective engagement with our stakeholders. We fully recognize that our stakeholders expect not only open communication but also clear accountability in our decisions and actions. To meet these expectations, we have developed and implemented robust policies and procedures that ensure transparency in every aspect of our operations.

We prioritize active and ongoing consultation with stakeholders, allowing us to align our strategies, projects, and initiatives with their interests and needs. This engagement process is designed to be inclusive, ensuring all voices are heard and considered. By maintaining this open dialogue, we ensure that our actions reflect the values and priorities of those we serve.

Furthermore, we are committed to continuous improvement, and we view stakeholder feedback as a vital tool for refining our practices. By staying receptive to input and integrating it into our decision-making processes, we ensure that we remain agile, responsive, and focused on delivering long-term value for all stakeholders.

Commitment to Excellence and Sustainability

At BURS, our unwavering commitment to excellence is reflected in our dedication to stakeholder engagement, ethical practices, and sustainability. We go beyond simply fulfilling our mandate—we aspire to be a driving force for positive change in Botswana. Our approach is not just about meeting immediate objectives but about creating long-term value for all stakeholders and the broader community.

By embedding these core principles into our value creation model, we aim to deliver sustainable benefits that extend across economic, social, and environmental dimensions. Our focus on ethical practices ensures that our actions are aligned with the highest standards of integrity, while our commitment to sustainability drives initiatives that safeguard the well-being of future generations. This commitment to excellence and sustainability is reflected in the mutual expectations outlined in Table 2, which highlights how BURS actively engages with key stakeholders to foster transparency, collaboration, and shared responsibility in delivering long-term value.

Through this integrated approach, we seek to foster a thriving, inclusive economy, a more resilient society, and a healthier environment—ultimately contributing to the continued growth and prosperity of Botswana.

Table 2: Mutual Expectations between BURS and Key Stakeholders

KEY STAKEHOLDER	STAKEHOLDER EXPECTATION FROM BURS	BURS EXPECTATION FROM THE STAKEHOLDER
Government-Ministry of Finance and Economic Development	• Efficient tax collection • Accurate reporting • Compliance with laws	• Support in policy-making • Adequate funding to carry out its functions effectively • Collaboration and feedback
Other Government Agencies	• Efficient Execution of Responsibilities • Accurate and Transparent Reporting• • Compliance with Legal and Regulatory Frameworks • Collaboration and Open Communication • Confidentiality and Security of Information • Proactive Problem-Solving and Support • Flexibility and Adaptability	• Timely Provision of Information • C lear Communication and Coordination• • Support for Compliance Initiatives compliance with relevant laws and regulations • Prompt Response to Queries and Requests • Collaborative Problem-Solving • Sharing of Resources and Expertise
Taxpayers	• Transparency • Fairness in tax assessment • Quality service	• Timely and accurate submission of tax returns • Adherence to tax regulations
Businesses/ Companies including Customs Clearing Agents and Tax Consultants	• Clear guidelines on tax and customs obligations • Assistance in compliance	• Compliance with tax and customs laws • Cooperation in audits
Employees	• Job security • Career development opportunities • Supportive work environment • Remuneration	• Commitment to service delivery • Adherence to organizational values
Civil Society/Non-Governmental Organizations	• Accountability and transparency in revenue collection and utilization	• Engagement in public education about tax responsibilities and collaboration on community projects
International Organizations	• Adherence to international standards in tax collection and reporting	• Technical assistance and best practices in tax administration
Suppliers of Products and Services	• Delivery on contract terms and conditions • Prompt settlement of financial terms • Ethical and transparent Operations • To be treated as genuine partners	• Delivery on contract terms and conditions • Ethical and transparent Operations • Quality Service and Products
Media	• Provision of timely, transparent, and comprehensive information	• Accurate promotion and publicity of BURS services and products

Material Issues

After the immediate crisis of COVID-19 subsided, BURS faced several significant challenges as they navigated the post-pandemic economic landscape. These issues were multifaceted, spanning from slow economic recovery, shifting business dynamics, and the adaptation of public sector operations to new realities as outlined in Table 3 below. Therefore, BURS had to balance the immediate fiscal challenges with long-term reforms to ensure sustainable tax systems. Below are the key material issues that affected BURS and how she responded:

Table 3: Strategic Interventions to Strengthen Tax Administration Resilience

Issue	Response
Slow Economic Recovery Affecting Tax Revenues. The economic recovery remained slow and uneven post-pandemic, with SMEs struggling, affecting tax revenues.	**Gradual withdrawal of relief measures:** The government phased out temporary tax relief cautiously to avoid further economic shocks. **Stimulus packages and recovery programs:** BURS collaborated on targeted recovery programs, leading to the Economic Recovery Support Program with the African Development Bank and the World Bank. **Focus on the digital economy:** Efforts began to explore taxing digital and remote transactions.
Uncertainty in Tax Compliance and Evasion. Many businesses engaged in tax evasion through underreporting, misclassification, and other means. BURS needed to ensure compliance post-pandemic.	**Data analysis, risk-based auditing, and intrusive scanners:** Enhanced data analytics identified evasion patterns, risk-based audits focused on high-risk sectors, and intrusive scanners improved customs fraud detection. **Enforcement of tax rules:** Increased audits and investigations targeted sectors that benefited from government support to prevent evasion.
Return to In-Person Services and Managing Hybrid Workforces. BURS had to balance digital operations with a return to in-person services while maintaining efficiency and safety.	**Hybrid work models:** Combined remote and in-person work for employee safety and operational effectiveness. **Office adaptations and safety protocols:** Implemented health measures such as social distancing, sanitation, and staggered work schedules. **Enhanced self-service options:** Expanded online services for tax filing, refunds, and customs declarations.
Long-Term Effects on the Informal Economy. The pandemic increased informal economic activities, making taxation more challenging.	**Outreach programs:** Increased efforts to educate and integrate informal workers into the formal economy.
Accelerated Digitalization of BURS Post-pandemic, BURS needed to continue digital transformation to support e-commerce and remote work.	**Improved e-filing and e-payment systems:** Enhanced security and accessibility of tax filing. **Data sharing and automation:** Advanced automation reduced administrative costs and improved efficiency. **Digitizing taxpayer services:** Improved system usability, reduced downtime, and encouraged pre-clearance of goods at borders.
International Tax Coordination and Global Tax Reforms Growth in cross-border trade and digital businesses challenged taxation of multinational corporations (MNCs).	**OECD/G20 initiatives:** Participated in global tax reform efforts to ensure MNCs paid taxes where they generated revenue. **Bilateral cooperation:** Strengthened international relations.
Public Trust and Transparency Citizens scrutinized government tax policies and use of pandemic relief funds.	**Public accountability initiatives:** Enhanced transparency in tax revenue and relief fund allocation. **Taxpayer engagement:** Conducted outreach to educate the public on the role of taxes in economic recovery.
Managing Taxpayer Expectations Many taxpayers were accustomed to lenient deadlines and relief measures during the pandemic.	**Clear communication on deadlines:** Used press releases and social media to announce tax deadlines and enforcement policies. **Flexible payment arrangements:** Continued offering payment plans for struggling businesses and individuals.

PERFORMANCE


burs
botswana unified revenue service
USTOMS
NINE UNIT
ISOLATION
CENTRE



Operating Context

BURS operates within a dynamic environment shaped by political, economic, social, technological, legal, and customs-related factors. These factors continuously impact how the Revenue Service carries out its responsibilities, necessitating ongoing adaptation and strategic flexibility. In response, BURS is dedicated to refining and evolving strategies that allow it to effectively navigate these challenges. This proactive approach ensures regulatory compliance while capitalizing on institutional strengths to improve efficiency and service delivery.

Recognizing the transformative power of technology, BURS has intensified its digitalization efforts to modernize tax and customs administration. By expanding the use of digital platforms, BURS is streamlining tax processes, simplifying customs procedures, and enhancing accessibility for taxpayers, importers, and exporters. These advancements not only improve efficiency but also promote voluntary compliance, strengthening revenue collection in the long term.

In the customs space, BURS continues to tackle new challenges arising from changing trade patterns, smuggling schemes, and evolving regional regulatory frameworks. The Revenue Service remains dedicated to upholding customs regulations while promoting legitimate trade. To achieve this balance, BURS has invested in advanced technologies, including non-intrusive scanners, sniffer dogs and reinforced specialized enforcement units such as FAST to combat illicit trade, monitor and patrol borders, and protect Botswana's economic interests.

In this dynamic environment, BURS remains proactive in tracking trends, regulatory changes, and global best practices in tax and customs administration. By embracing innovation, utilizing data-driven insights, and enhancing operational efficiencies, BURS continues to refine its services and improve taxpayer engagement. A commitment to continuous improvement is central to the organization's strategy, enabling it to anticipate challenges, capitalize on emerging opportunities, and maintain its relevance in an increasingly complex global economy.

Through these proactive measures, BURS reinforces its commitment to excellence, resilience, and adaptability, ensuring it remains a forward-thinking institution capable of meeting the nation's evolving fiscal and trade needs.

Operating Environment

BURS operates in a complex and ever-evolving environment shaped by a range of external factors, including political, economic, social, technological, and legal elements. These factors continuously influence the organization's ability to execute its mandate effectively, requiring strategic agility and resilience. Understanding and responding to these external forces is essential for ensuring sustainable revenue collection and efficient tax administration.

Key Influences on BURS' Operating Environment

Political Factors: Changes in government policies, leadership transitions, and political stability directly impact tax policy, enforcement priorities, and overall revenue collection. A stable political environment fosters consistent tax administration, while policy shifts may necessitate adjustments in compliance measures.

Economic Conditions: Economic growth, inflation, geo-political tensions and recessionary trends affect the taxable income of businesses and individuals, influencing revenue collection. Economic downturns can challenge compliance rates and reduce the overall tax base, requiring adaptive fiscal strategies.

Social Factors: Demographic trends, cultural attitudes and behaviours toward taxation, and public perceptions of fairness play a critical role in tax compliance. Strengthening taxpayer education and engagement is key to fostering a culture of voluntary compliance.

Technological Factors: Digital advancements continue to transform tax administration. The integration of modern tax collection platforms, automated payment processing, and data analytics enhances efficiency, minimizes errors, and improves taxpayer experience.

Environmental Factors: Environmental factors like climate change, resource management, and regulations are increasingly shaping BURS's operations. As Botswana pursues sustainability, BURS must adapt to green policies and address climate-related disruptions that affect key economic sectors. It also has an ethical responsibility to promote environmental stewardship through fair and resilient tax policies.

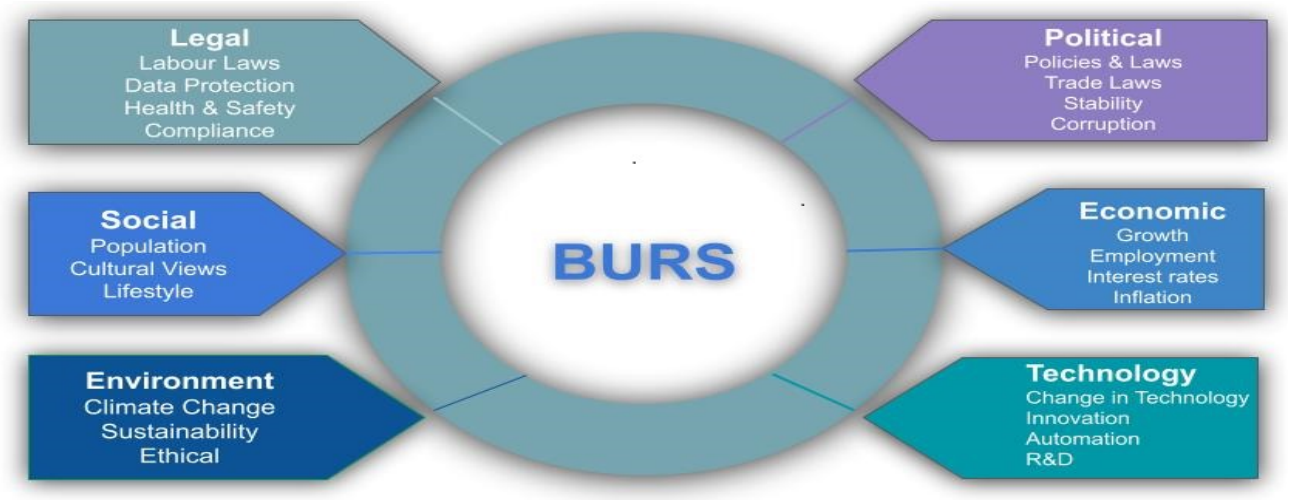
Legal and Regulatory Factors: The tax framework, including legislation and enforcement mechanisms, defines BURS's operational scope. Changes in tax laws require the organization to continuously refine its administrative processes to align with regulatory requirements.

Adapting to a Dynamic Environment

To effectively navigate external influences, BURS remains focused on proactive and adaptive strategies. The Revenue Service continues to harness technology to modernize tax and customs processes, improve service delivery, and simplify taxpayer interactions. Digital transformation is integral in optimizing tax collection and compliance, ensuring efficiency and convenience for all stakeholders.

By maintaining agility, BURS demonstrates resilience in the face of uncertainty. The institution remains committed to continuous improvement, utilizing data-driven insights and global best practices to uphold operational excellence. Through these initiatives, BURS reinforces its dedication to efficient revenue administration, supporting fiscal sustainability and national economic growth

Figure 2: Factors influencing BURS' Operating Environment



Comprehensive Performance Analysis

During the 2022/23 financial year, BURS remained guided by a clear set of performance targets that underpin our strategic direction and drive the transformative changes we seek to achieve. These targets serve as critical benchmarks for evaluating our progress and shaping future priorities. By assessing our performance against them, we gain valuable insights that inform evidence-based decision-making and strategic realignment.

Where targets were not met, we have identified corrective actions to address gaps and steer efforts back on course. In instances where targets were exceeded, we have outlined strategies to sustain momentum and leverage these successes for broader impact. This continuous and rigorous evaluation process strengthens our accountability framework, promotes a culture of improvement, and reaffirms our commitment to operational excellence.

This section presents a detailed assessment of our 2022/23 performance against set targets, highlighting key areas of achievement as well as challenges encountered. Despite facing significant headwinds, BURS demonstrated resilience and recorded notable progress across several priority performance indicators.

Taxpayer Register Analysis

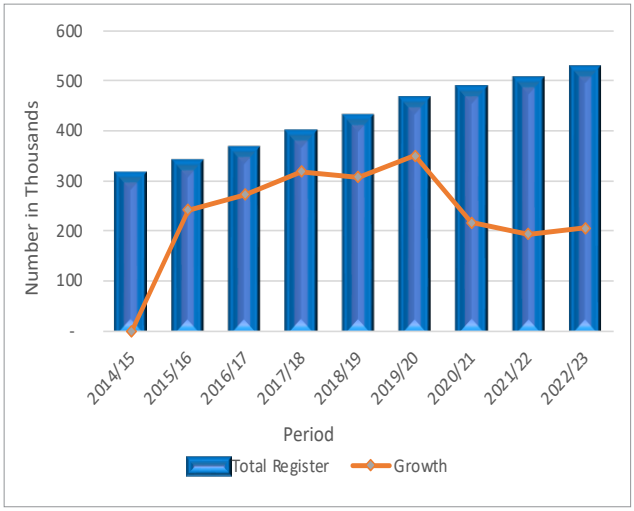
The taxpayer register is a critical component of tax administration within the Botswana Unified Revenue Service (BURS). It serves as a centralized record of taxpayers, enhancing compliance monitoring, enforcement, and strategic resource allocation. By systematically tracking taxpayer adherence, the register reduces non-compliance risks, supports revenue forecasting, and informs policy-making. Additionally, it plays a pivotal role in BURS' digital tax systems, facilitating seamless taxpayer interactions through online services. Including a comprehensive analysis of the taxpayer register in this report underscores BURS' commitment to transparency and accountability to stakeholders and the public.

The BURS taxpayer register has demonstrated consistent growth over the years, reflecting sustained efforts in taxpayer engagement and registration. From the fiscal year 2014/15 to 2022/23, the register expanded from 305,325 to 516,090, marking a cumulative increase of 210,765 taxpayers, equivalent to a 69.1% growth over the period (see Figure 3). Growth rates fluctuated annually, with the highest recorded increase of 35,044 taxpayers in 2019/20. Although the taxpayer register continues to expand, a declining trend in annual growth rates has been observed in recent years.

Notably, growth peaked at 31,818 taxpayers in 2017/18 and 35,044 in 2019/20, but since then, annual increases have remained below 22,000 taxpayers. The lowest growth was recorded in 2021/22 at 19,401, followed by a slight improvement to 20,601 in 2022/23. This trend suggests that while taxpayer registration remains robust, there may be underlying factors influencing the rate of new registrations. These could include economic conditions, the effectiveness of tax compliance initiatives, or changes in business activity.

Going forward, BURS aims to enhance taxpayer engagement strategies by leveraging digital platforms, improving taxpayer education, and strengthening enforcement measures to sustain the momentum of tax base expansion. Strengthening these initiatives will be crucial in ensuring that revenue generation aligns with national development objectives while maintaining a broad and inclusive taxpayer register.

Figure 3: Taxpayer Registration Trends



Comparative Analysis of Taxpayer Registration Trends: Companies and Individuals

Companies Registration Trends

BURS has observed a consistent increase in the registration of companies over the past nine financial years (as shown by Figure 4). In the 2014/15 financial year, the number of registered companies stood at 64,568. This figure grew steadily, reaching 86,440 in 2016/17 and surpassing the 100,000 mark in 2017/18 with 100,350 registered companies. The growth trajectory continued, with company registrations increasing to 115,031 in 2018/19 and 130,032 in 2019/20.

A significant rise was observed from 2020/21, with the number of registered companies climbing to 147,692, followed by further increases to 162,848 in 2021/22 and 176,342 in 2022/23. The overall increase from 2014/15 to 2022/23 represents a growth of over 173%, due to requirements of Government tenders and fiscal stimulus

programmes. This trend underscores the importance of fostering a conducive business climate, simplifying registration processes, and enhancing taxpayer education.

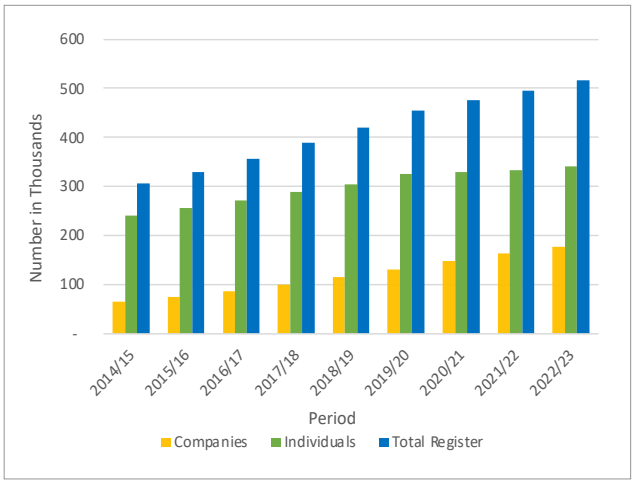
Individuals Registration Trends

Similarly, the registration of individuals for tax purposes has exhibited steady growth over the years as depicted by Figure 4. The number of registered individuals in 2014/15 was 240,757, growing to 255,331 in 2015/16 and further increasing to 270,292 in 2016/17. By 2017/18, the individual taxpayer register had expanded to 288,200, reflecting increased participation in the tax system.

From 2018/19 onwards, the number of registered individuals continued to rise, reaching 304,346 in 2018/19 and 324,389 in 2019/20. Despite economic fluctuations, registration remained on an upward trend, with 328,396 individuals registered in 2020/21. The upward trajectory persisted, with registrations increasing to 332,641 in 2021/22 and further to 339,748 in 2022/23.

Overall, the individual taxpayer register grew by approximately 41% from 2014/15 to 2022/23. This increase reflects improved taxpayer awareness and the need to benefit from government programmes which usually require tax clearance. Continuous efforts to strengthen tax education and simplify compliance processes will be key in sustaining this positive trend.

Figure 4: Growth in Taxpayer Registrations by Category (2014/15–2022/23)



2022/23 Revenue Performance against Targets

The revenue performance for the financial year 2022/23 exceeded the overall target, with total collections recording P49.819 billion against a target of P47.572 billion, representing an over-performance of 4.73% as shown in Figure 5. Income Tax was the main driver of this surplus, with actual collections of P26.500 billion surpassing the target of P22.527 billion by 17.69%, suggesting improved tax compliance, higher taxable income, and/or effective revenue collection measures. Conversely, VAT collections fell short of the P10.680 billion target, achieving P9.466 billion, which is 11.38% below target. This shortfall may be attributed to reduced consumer spending, tax compliance challenges, or increased VAT refunds. Similarly, Customs Receipts were slightly below the target of P14.365 billion, recording P13.853 billion, a decline of 3.56%, possibly due to exchange rate (stronger Pula against Rand). Overall, the strong performance in Income Tax offset the underperformance in VAT and Customs Receipts, leading to total revenue collections exceeding the set target.

Figure 5: Revenue Collection against Targets

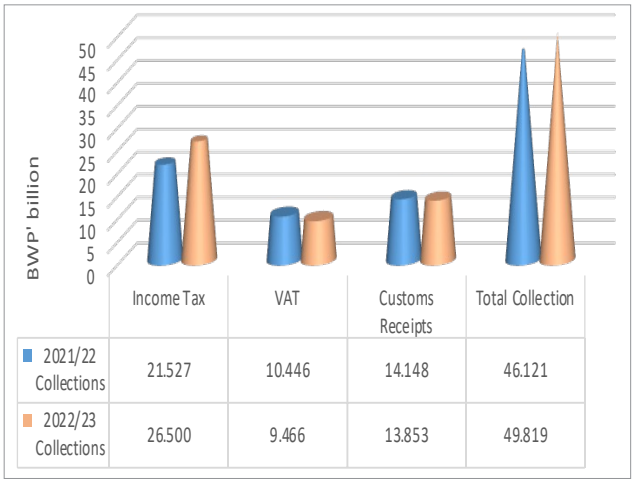


	Income Tax	VAT	Customs Receipts	Total
Targets	22.527	10.680	14.365	47.572
Actual	26.500	9.466	13.853	49.819

Year-on-Year Revenue Collection Comparison

For the year under review, tax revenue collections exhibited a remarkable improvement compared to 2021/22, with substantial growth in Income Tax, despite declines in Value Added Tax (VAT) and Customs Receipts as depicted by Figure 6. Income Tax collections increased from P21.527 billion in 2021/22 to P26.500 billion in 2022/23, reflecting a 23.13% growth. This increase could be attributed to improved tax compliance, economic expansion post COVID-19 era, and higher taxable income. On the other hand, VAT collections declined by 9.38%, falling from P10.446 billion to P9.466 billion. This reduction may be due to lower consumer spending, increased VAT refunds, or compliance challenges. Similarly, Customs Receipts recorded a 2.08% decline, decreasing from P14.148 billion in 2021/22 to P13.853 billion in 2022/23. The drop could be linked to movement restrictions during COVID-19 era that affected movement and volumes of goods. Despite the declines in VAT and Customs Receipts, the strong performance of Income Tax drove an overall revenue increase of 8.02%, with total collections rising from P46.121 billion in 2021/22 to P49.819 billion in 2022/23. This trend highlights the growing significance of direct taxation as a key revenue source while indicating potential vulnerabilities in consumption and trade-related tax streams.

Figure 6: Year-on-Year Comparison



	Income Tax	VAT	Customs Receipts	Total Collection
2021/22 Collections	21.527	10.446	14.148	46.121
2022/23 Collections	26.500	9.466	13.853	49.819

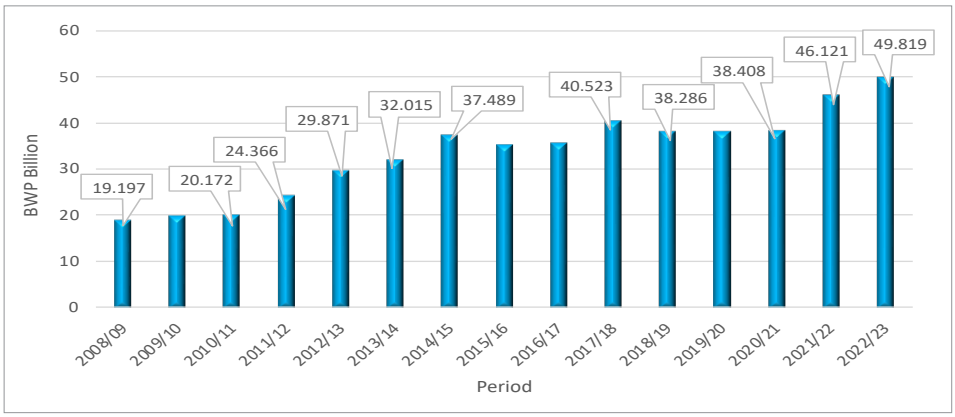
Yearly Revenue Collections (2008/09 to 2022/23)

The revenue collection trend from 2008/09 to 2022/23 as shown in Figure 7, reflects steady growth with variability for some financial years. Starting at P19.197 billion in 2008/09, collections increased consistently, surpassing P32 billion in 2013/14. This upward trend continued, peaking at P37.489 billion in 2014/15, before experiencing a slight decline to P35.335 billion in 2015/16. A modest recovery followed, with collections reaching P35.808 billion in 2016/17.

A significant jump occurred in 2017/18, with revenue increasing to P40.523 billion, marking a notable shift. However, from 2018/19 to 2020/21, collections stagnated around P38 billion, reflecting economic uncertainties and external pressures. The COVID-19 pandemic (2019/20 and 2020/21) further impacted revenue, leading to minimal growth. Collections slightly increased from P38.278 billion in 2019/20 to P38.408 billion in 2020/21, suggesting resilience in tax administration despite economic challenges.

A strong recovery began in 2021/22, with collections surging to P46.121 billion, representing a 20.1% increase from the previous year. This was likely driven by economic recovery post-pandemic, enhanced tax compliance, and policy changes, including the VAT rate increase from 12% to 14% in April 2021. The growth continued into 2022/23, with total revenue collections reaching a historic high of P49.819 billion, reflecting 7.98% growth from the previous year. This increase highlights improved economic performance and effective revenue collection strategies.

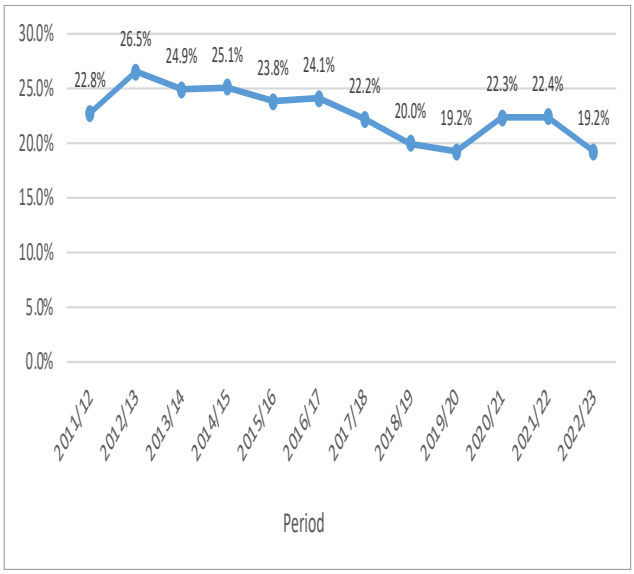
Figure 7: Revenue collection Trends (2008 to 2023)



Tax Collections as a Percentage of Nominal GDP

The Tax to GDP ratio from 2011/12 to 2022/23 as portrayed in Figure 8 illustrates the relationship between tax revenue collection and economic growth in Botswana over time. Starting at 22.8% in 2011/12, the ratio peaked at 26.5% in 2012/13, indicating a period where tax revenues outpaced economic growth, possibly due to strong tax administration efforts, policy changes, or an expanding tax base. In subsequent years, the ratio declined gradually, falling to 24.9% in 2013/14 and fluctuating around 24% in 2014/15 and 2016/17. By 2017/18, the ratio had dropped further to 22.2%, suggesting that economic growth outpaced tax revenue collection or that tax compliance faced challenges. The downward trend continued, reaching a low of 19.2% in 2019/20, reflecting a rapid expansion of the economy without proportional revenue gains. The decline coincided with the onset of the COVID-19 pandemic, which disrupted economic activity and tax revenue generation. A modest recovery was observed in 2020/21, when the ratio rose to 22.3%, reflecting efforts to stabilize tax collection despite the economic slowdown. In 2021/22, the ratio remained steady at 22.4%, suggesting that economic recovery and tax revenue growth were moving in tandem. However, in 2022/23, the ratio fell again to 19.2%, returning to its 2019/20 level. This decline may indicate economic expansion without corresponding revenue growth, or shifts in the tax structure affecting collections. Overall, the data highlights periods of volatility, influenced by economic conditions, tax policy adjustments, compliance levels, and external shocks such as the pandemic. Maintaining a stable Tax to GDP ratio will require enhanced revenue mobilization efforts, improved compliance measures, and policies that align tax collection with economic growth.

Figure 8: Tax to GDP Ratio Trends



Income Tax Revenue Collection

For the year under consideration, total net income tax collections amounted to P26.500 billion as outlined in Table 4 below, reflecting an increase of P4.973 billion or 23.1% from the P21.527 billion collected in 2021/22. This growth was primarily driven by substantial increases in Assessed Tax, Withholding Tax, and Deducted Tax (Pay As You Earn). Assessed Tax saw the most significant rise, increasing by P2.568 billion (25.4%), from P10.094 billion in 2021/22 to P12.662 billion in 2022/23. Withholding Tax collections also grew considerably, rising by P882.2 million (20.9%) from P4.214 billion to P5.096 billion. Meanwhile, Deducted Tax (Pay As You Earn) increased by P1.148 billion (14.7%), from P7.807 billion to P8.955 billion, indicating strong wage-based tax compliance.

Other tax categories showed moderate changes. Transfer Duty collections increased by P13.4 million (16.7%), from P80.3 million to P93.6 million, while Penalties saw a marginal rise from P1.007 million to P1.029 million. However, Capital Transfer Tax declined by P1.2 million (27.5%), from P4.3 million to P3.1 million.

Gross Income Tax Receipts increased significantly, growing by P4.611 billion (20.8%), from P22.200 billion in 2021/22 to P26.811 billion in 2022/23. Notably, tax refunds decreased by P362.0 million (53.7%), from P673.5 million to P311.5 million, contributing positively to the net tax collections.

These trends indicate a strong revenue performance driven by improved income tax compliance, increased business activity, and enhanced tax administration. The decline in refunds suggests better accuracy in tax assessments and processing, further strengthening overall revenue performance.

Table 4: Income Tax Collections by Source

Type of Tax	2021/22 Collections (P' 000)	2022/23 Collections (P' 000)
Withholding Tax	4,214,030	5,096,255
Deducted Tax (Pay As You Earn)	7,806,559	8,954,643
Assessed Tax	10,093,995	12,662,457
Penalty	1,007	1,029
Transfer Duty	80,258	93,611
Capital Transfer Tax	4,339	3,146
Gross Income Tax Receipts	**22,200,188**	**26,811,141**
Refunds	(673,475)	(311,497)
Total Income Tax	**21,526,713**	**26,499,644**

Vat Revenue Collections

During the 2022/23 financial year, net VAT collections amounted to P9.466 billion (see Table 5), reflecting a decline of P979.2 million or 9.4% compared to the P10.446 billion collected in 2021/22. The decrease in net VAT collections was largely influenced by a significant increase in VAT refunds, which rose by P1.472 billion (52.2%), from P2.820 billion in 2021/22 to P4.292 billion in 2022/23. Despite this overall decline, gross VAT receipts recorded a modest increase of P493 million (3.7%), growing from P13.266 billion in 2021/22 to P13.759 billion in 2022/23. This growth was primarily driven by VAT Internal collections, which increased by P630.1 million (11.7%), from P5.391 billion to P6.021 billion. Additionally, Fuel Levy collections rose by P126 million (9.6%), from P1.313 billion to P1.439 billion. However, VAT Import collections experienced a slight decrease of P150.5 million (2.3%), from P6.449 billion to P6.299 billion. The most notable decline was observed in VAT Interest & Penalties, which fell by P112.6 million (99.9%), dropping from P112.7 million in 2021/22 to only P98,000 in 2022/23.

The increase in VAT refunds, coupled with the decline in VAT Import collections and penalties, contributed to the overall reduction in net VAT receipts. However, the growth in VAT Internal collections and Fuel Levy highlights the resilience of domestic economic activity despite external pressures.

Table 5: VAT Collections by Source

Source	2021/22 Collections (P' 000)	2022/23 Collections (P' 000)
VAT Import	6,449,305	6,298,827
VAT Internal	5,390,712	6,020,767
VAT Interest & Penalties	112,724	98
Fluel Levy	1,313,175	1,439,196
Gross Receipts	**13,265,916**	**13,758,888**
Refunds	(2,820,254)	(4,292,403)
Net VAT Receipts	**10,445,662**	**9,466,485**

Customs & Excise Duty Collections

As a member of SACU, Botswana is required to remit all collections of customs and excise duties into the SACU Common Revenue Pool (CRP). For the financial year 2022/23, Botswana collected and paid a total amount of P743.2 million into the CRP compared to P691.3 million collected in 2021/22 as shown in Table 6 below. This represents an increase of P51.8 million or 7.5%.

The increase was primarily driven by a P51.6 million rise in Customs Duty and a P8.4 million increase in Excise Duty. Additionally, Ad Valorem Duty also saw a positive variance of P3.6 million. However, Additional Customs Duty declined significantly by P11.7 million, offsetting some of the overall growth. The overall increase in customs and excise duty collections reflects improved trade volumes and economic activity during the financial year under review.

Table 6: Botswana's Customs and Excise Duty Collections paid to the CRP

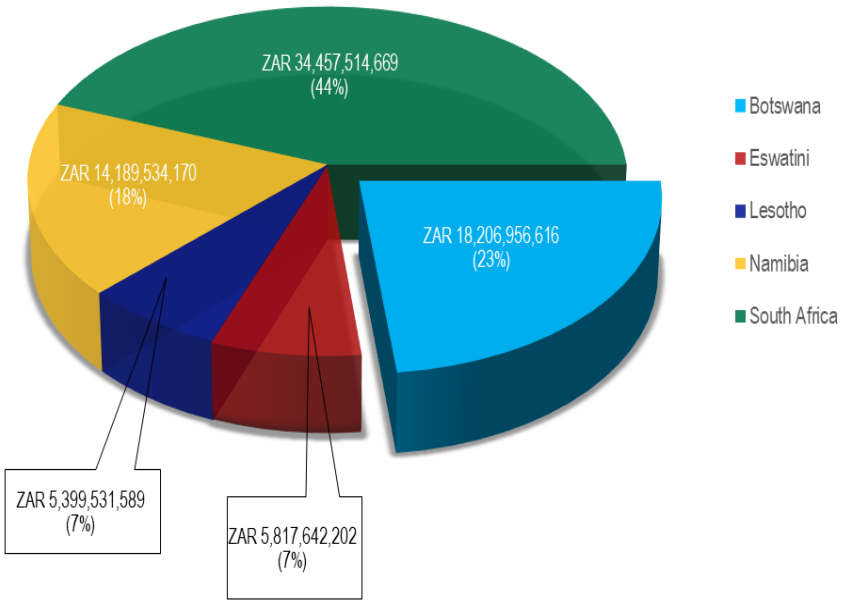
Customs Duties	2021/22 (BWP)	2022/23 (BWP)	Variance (BWP)
Customs Duty	325,862,290.95	377,417,650.69	51,555,359.74
Excise duty	332,432,972.35	340,813,872.60	8,380,900.25
Ad valorem Duty	17,020,786.79	20,592,832.37	3,572 ,045.58
Additional Customs Duty	15,997,614.90	4,331,015.96	(11,666,598.94)
Total	**691,313,664.99**	**743,155,371.62**	**51,841,706.63**

SACU Revenue Shares

The accumulated revenue remitted to the SACU Common Revenue Pool (CRP) by SACU Member States is distributed among the members based on an agreed SACU revenue-sharing formula. For the financial year 2022/23, the total SACU Revenue Pool amounted to ZAR 78.071 billion.

Botswana's share of the total revenue pool was ZAR 18.207 billion, representing 23.3% of the total allocation. Namibia received ZAR 14.190 billion (18.2%), while Eswatini and Lesotho were allocated ZAR 5.818 billion (7.5%) and ZAR 5.400 billion (6.9%), respectively. South Africa received the largest share, amounting to ZAR 34.458 billion (44.1%) as illustrated in Figure 9 below. This allocation underscores Botswana's substantial contribution to and benefit from the SACU revenue-sharing framework, which continues to play a vital role in supporting national fiscal revenues.

Figure 9: SACU Revenue Pool Shares by Country (Rands)



Collection of Levies on Behalf of Government Departments and Agencies

The analysis of levy collections for the financial year 2022/23 compared to 2021/22 reveals significant variations across different levy types as depicted in Table 7 below. Total gross collections increased from P934.4 million in 2021/22 to P1.198 billion in 2022/23, marking an increase of P263.6 million or approximately 28.2%. The Transport Permits category experienced the most substantial growth, surging by P146.3 million (69.4%) from P210.9 million to P357.3 million, reflecting increased cross-border movement of foreign registered vehicles. The Alcohol Levy also recorded a notable increase of P96.3 million (20.0%), rising from P481.3 million to P577.6 million, highlighting higher alcohol production and/or consumption. Other levies that posted significant gains include the Copyright Levy, which grew by P13.3 million (192.6%), Road Safety Tokens, which increased by P2.4 million (50.7%), and the Plastic Levy, which rose by P7.4 million (41.7%). Additionally, the Sweet Beverages Levy and Toll Fees registered considerable growth of P26.8 million (33.8%) and P28.9 million (84.6%), respectively, indicating increased production, consumption and compliance with these levies.

Conversely, some levies experienced declines. he Tobacco Levy fell by P14.3 million (27.6%), dropping from P51.9 million to P37.6 million, possibly due to shifts in consumer behaviour and a decline in sales of legitimate tobacco products, suggesting a rise in smuggled alternatives which are usually counterfeit. The COVID Levy witnessed the most significant decline, plummeting by P42.7 million (91.9%) as pandemic-related measures wound down. Additionally, the Flour Levy, which had collected P889, 000 in the previous year, was discontinued in 2022/23.

Overall, the strong performance of levies such as Transport Permits, Alcohol Levy, and Sweet Beverages Levy contributed to the overall growth in revenue collections. The decline in COVID-related levies reflects the transition from pandemic-era policies, while the drop in Tobacco Levy may indicate that consumers turned to cheaper, smuggled tobacco products. The general trend indicates a stable and growing revenue stream from levies, supporting public finance sustainability.

Table 7: Collection on Behalf on Other Government Agencies

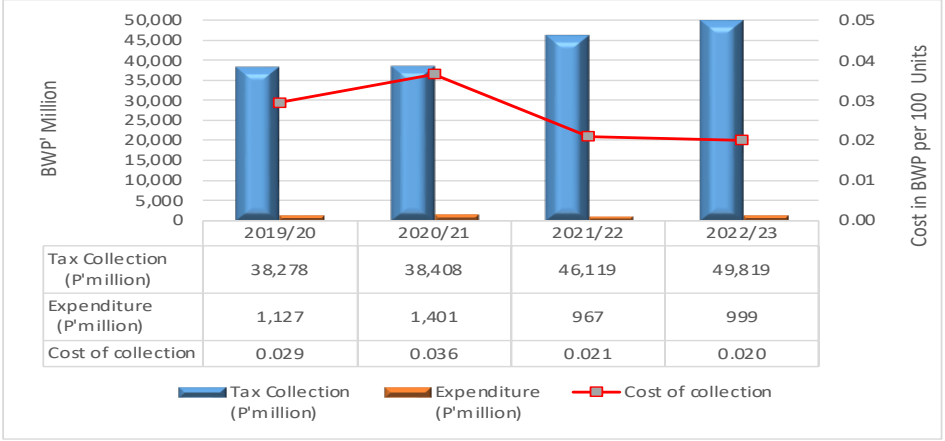
Type of Levy	Gross Collections		Variance
	2021/22 (P'000)	2022/23 (P'000)	(P'000)
Copyright Levy	6,913	20,225	13,312
Tobacco Levy	51,916	37,603	(14,313)
Transport Permits	210,928	357,268	146,340
Road Safety Tokens	4,773	7,191	2,418
Flour Levy	889	-	(889)
Alcohol Levy	481,311	577,587	96,276
COVID Levy	46,417	3,748	(42,669)
Plastic Levy	17,822	25,258	7,436
Sweet Beverages Levy	79,226	106,018	26,792
Toll Fees	34,176	63,074	28,898
Total	**934,371**	**1,197,972**	**263,601**

Cost to Collection Ratio

The BURS cost to collection data from 2019/20 to 2022/23 reveals key trends in revenue collection efficiency. Revenue collection increased steadily from P38.278 billion in 2019/20 to P49.819 billion in 2022/23, reflecting a strong upward trajectory. Correspondingly, expenditure fluctuated, starting at P1.127 billion in 2019/20, peaking at P1.401 billion in 2020/21, before declining to P967 million in 2021/22 and slightly increasing to P999 million in 2022/23 (see Figure 10).

Despite these fluctuations, the cost of collection ratio demonstrated a significant improvement, decreasing from 0.029 in 2019/20 to 0.020 in 2022/23. This decline indicates enhanced operational efficiency, as less expenditure was required to generate higher revenue collections in the most recent year. Overall, these metrics suggest that BURS is becoming more effective in managing its resources while increasing revenue, contributing positively to financial sustainability and operational performance.

Figure 10: Tax Revenue Collection, Expenditure, & Cost of Collection Analysis (2019/20–2022/23)



Customs Enforcement Highlights: Detentions and Seizures in 2022/23

Customs Detentions
In the financial year 2022/23, a total of 821 customs detentions were recorded, reflecting a continued emphasis on regulatory compliance and border control. The Northern Region accounted for 356 detentions, while the Southern Region recorded a higher number of 465 detentions. Detained goods during the year included clothing (new & second-hand), vehicles, electronic appliances, bags, shoes, empty containers, school uniforms, foreign currency etc, with the majority linked to issues such as incomplete documentation, absence of permits, failure to pay applicable duties, or pending inspection outcomes. These figures indicate ongoing vigilance and intervention efforts by Customs Enforcement across both regions.

Customs Seizures
Customs seizures for the same period totalled 755 cases. Notably, the Northern Region recorded 487 seizures, maintaining its trend of higher enforcement activity compared to the Southern Region, which accounted for 268 seizures. A diverse range of goods was seized during the period, including cigarettes, tobacco leaves, assorted clothing, petrol, perfumes, beauty creams, school uniforms, green substances suspected to be dagga, Grand-Pa headache powder, alcoholic beverages, onions, potatoes, and other vegetables. Notably, vegetables were the most frequently intercepted items, primarily due to import restrictions imposed during the period. Other common causes of seizure included smuggling, failure to declare goods, absence of import permits, and the possession of restricted items.

Detentions and Seizures by Region: 2022/23 Overview
The data presented in Table 8 below offers a comparative summary of customs detentions and seizures across the North and South regions for the year 2022/23. These figures provide insight into the geographic distribution of enforcement activity and reinforce the continued commitment of BURS to combat non-compliance and illicit trade.

Table 8: Customs Detentions and Seizures by Region (2022/23)

Region	Detentions	Seizures
North	356	487
South	465	268
Total	**821**	**755**

KEY DRIVERS OF PERFORMANCE

The remarkable performance presented in this section was achieved through the influence of several critical factors:

Visionary Leadership: BURS' Board and Executive Management provided clear strategic direction, ensuring that the organization remained focused on its mandate despite external challenges. Their ability to make informed decisions, adapt to economic fluctuations, and uphold governance principles played a crucial role in sustaining performance.

Workforce Commitment and Excellence: The dedication and resilience of BURS employees were instrumental in driving success. Their professionalism, high work ethic, and commitment to service excellence enabled the organization to maintain operational efficiency and achieve its revenue collection targets.

Strategic Resource Management: A well-structured approach to planning and resource allocation allowed BURS to optimize its operations. By aligning financial, technological, and human resources with key priorities, the organization successfully enhanced its service delivery and revenue mobilization efforts.

Enhanced Compliance and Enforcement Measures: BURS strengthened its compliance strategies, ensuring that tax laws were effectively enforced. Data analytics, audits, and taxpayer education initiatives contributed to promoting voluntary compliance and improved revenue collection.

Technological Innovation and Digital Transformation: The adoption of modern digital systems facilitated smoother tax administration, enabling taxpayers to meet their obligations with ease. Automated processes, improved data management, and enhanced cybersecurity measures reinforced the organization's efficiency and operational resilience.

Stakeholder Engagement and Collaboration: BURS prioritized collaborative engagements with taxpayers, businesses, customs clearing agents and government entities to foster trust and compliance. Through continuous dialogue such as "Pitso", awareness campaigns, trade fairs & exhibitions and partnerships, the organization strengthened its relationship with key stakeholders, driving voluntary tax compliance and public confidence.

By leveraging these key factors, BURS successfully navigated challenges and continued its trajectory of strong revenue performance, compliance enhancement, and service excellence in the reporting period.

OUR CAPITAL



Financial Capital

Financial capital plays a vital role in enabling the Botswana Unified Revenue Service (BURS) to achieve its operational and strategic objectives. It comprises the fiscal resources and investments required to fulfil BURS's mandate, including revenue collection, tax administration, and compliance enforcement. BURS prioritizes financial capital for technological advancements, workforce development, and infrastructure improvements, ensuring the organization can innovate, adapt, and uphold its commitment to excellence in service delivery for taxpayers and stakeholders. During the period under review, BURS operated thirteen (13) inland offices, including its head office, and managed twenty-nine (29) ports of entry. The Revenue Service continued to oversee these offices, carrying out building maintenance to improve both office spaces and staff accommodations.

Human Capital

At BURS, our employees are the cornerstone of our success, and we remain steadfast in our commitment to strengthening our human capital to support long-term organisational sustainability. During the reporting period, our total staff complement increased slightly from 1,615 to 1,638, demonstrating our ongoing efforts to build institutional capacity in alignment with strategic priorities. Notably, female representation grew from 1,004 to 1,046, while male representation declined marginally from 611 to 592. Women now constitute approximately 64% of the workforce, underscoring our strong commitment to gender diversity and inclusion.

We also maintained gender parity at the executive leadership level, with the Executive Committee comprising 13 members — six women and seven men — ensuring balanced representation in senior decision-making roles.
Recognising that our people are central to the delivery of our mandate, we continue to foster a culture of continuous learning, professional growth, and employee well-being. Throughout the year, we invested in regular training programs to equip staff with the knowledge and tools necessary to meet evolving operational challenges. These development initiatives are designed not only to enhance individual performance but also to drive innovation and organisational agility.

A key area of focus this year was employee engagement, particularly in the context of our ongoing organisational realignment. We implemented multiple communication platforms, including surveys, physical meetings, and focus groups, to encourage feedback, address concerns, and promote a collaborative transition process. Transparent and consistent communication played a pivotal role in building trust and ensuring staff remained informed and involved throughout the change process.

We also prioritised the mental and physical well-being of our workforce. Various health and wellness initiatives were offered, including mental health support programmes tailored to help employees build resilience and maintain productivity. By fostering a work environment that supports holistic well-being, BURS enables employees to approach their roles with clarity, focus, and a positive mind-set.

Our investment in people — through skills development, inclusive leadership, and well-being — remains critical to cultivating a culture of excellence, innovation, and continuous improvement across the organisation.

Social Capital

BURS recognizes the value of cultivating strong relationships both within the organization and with external stakeholders. These connections are essential for seamless collaboration, teamwork, and the achievement of common objectives. Our commitment to building meaningful relationships is reflected in our support for initiatives like the Makgethong Social Club, which organizes inter-parastatal sporting events and participates in regional tax authority games, promoting community engagement and fostering healthy competition.

We also engage in partnerships through Memorandums of Understanding (MOUs), which facilitate resource sharing, efficient information exchange, and collective action. These strategic agreements enhance operational efficiency and streamline decision-making, enabling us to deliver improved outcomes for all stakeholders. Additionally, BURS collaborates with law enforcement and other agencies to ensure border compliance and enhance operational processes, contributing to a safer and more efficient environment for trade and business activities.

Intellectual Capital

At BURS, innovation is central to our ability to remain competitive and drive long-term growth. We prioritize fostering a culture of creativity, where new ideas are encouraged and leveraged to propel the organization forward. To support this, we focus on attracting and retaining employees who demonstrate a passion for innovative problem-solving. By recognizing and rewarding creative contributions, we ensure that our team remains agile and responsive to changes in the operating environment.

BURS is also committed to protecting its intellectual assets. For instance, we are exploring intellectual property protections for innovations such as the M-Tax App, which facilitates the mobile submission of tax returns. This investment in intellectual capital helps us secure a competitive edge and ensures that our innovations continue to bring long-term value to both the organization and the community.

By investing in both social and intellectual capital, BURS strengthens its capacity to foster collaboration, drive innovation, and contribute to sustainable growth.

Supporting the Sustainable Development Goals (SDGs)

At BURS, we are committed to advancing the United Nations Sustainable Development Goals (SDGs) through our role as the central revenue collection agency. Our activities—ranging from tax collection to trade facilitation—play a key part in fostering inclusive growth, reducing inequalities, promoting sustainability, and ensuring the effective use of public funds for development.

Contribution to Key SDGs

SDG 1: No Poverty:
The revenue we collect helps fund social welfare programs and poverty alleviation efforts, directly supporting vulnerable populations.

SDG 2: Zero Hunger:
We allocate funds to agricultural development and food security initiatives, helping to reduce hunger and improve food security.

SDG 3: Good Health and Well-Being:
Our tax revenues support the development of healthcare infrastructure and public health programs, contributing to improved health outcomes.

SDG 4: Quality Education:
We contribute to the development of education infrastructure, such as schools, ensuring access to quality education for all.

SDG 9: Industry, Innovation, and Infrastructure:
BURS supports the development of essential infrastructure, including roads and energy systems, which foster industrial growth and innovation.

Promoting Social Equity and Inclusion

SDG 10: Reduced Inequalities:
BURS implements tax policies that ensure a fair distribution of tax burdens and support programs focused on poverty alleviation and equal opportunities for marginalized communities.

Fostering Economic Growth and Trade

SDG 8: Decent Work and Economic Growth:
By creating a business-friendly environment and improving trade facilitation, BURS promotes economic growth, regional integration, and sustainable industrial development.

Strengthening Institutions and Security

SDG 16: Peace, Justice, and Strong Institutions:
BURS strengthens national and regional security by enforcing trade regulations, combating smuggling, and promoting compliance with international standards, which support governance and the rule of law.

Community Development and Well-Being

Beyond core operations, BURS supports community-driven initiatives aimed at improving health, education, and overall well-being, contributing to human capital development and sustainable development across multiple sectors.

CONTROL ENVIROMENT



MESSAGE FROM THE CHAIRPERSON OF THE AUDIT AND FINANCE COMMITTEE

As Chairperson of the Audit and Finance Committee, I firmly believe that effective risk management is essential to safeguarding the long-term success and stability of our organization. In today's rapidly evolving business landscape, we are faced with a range of financial, operational, and strategic risks that can impact our ability to achieve our objectives. Proactively identifying and mitigating these risks ensures that we can respond to challenges with agility and maintain the trust of our stakeholders.

Our Audit and Finance Committee plays a pivotal role in overseeing the development and implementation of a comprehensive risk management framework. We collaborate closely with management to assess potential risks across all aspects of the business and ensure that robust controls are in place to minimize exposure. This oversight provides the Board with the confidence that risks are being effectively managed and that the organization remains on course to meet its strategic goals.

In line with our commitment to transparency, we are continuously enhancing our risk management practices to address emerging threats and opportunities. By fostering a culture of risk awareness throughout the organization, we empower our teams to make informed decisions and drive sustainable growth. Ultimately, a strong risk management culture is not only critical for compliance, but also for creating long-term value for our shareholders and other key stakeholders.



Dr. Lesedi S. Senatla
Chairperson of Audit and Finance Committee

Risk Management and Compliance

At BURS, effective risk management and compliance are fundamental to achieving our strategic objectives and ensuring operational resilience. Given the dynamic nature of risks in tax administration, we have developed a robust Risk Policy and an Integrated Risk Management Framework to proactively identify, assess, and mitigate risks while maintaining regulatory compliance.

Risk Management and Compliance Overview:

BURS Risk Policy

Our risk policy provides a structured approach to identifying, evaluating, and managing risks across all areas of our operations. It ensures that risk management is embedded in decision-making processes and that risk-taking aligns with our strategic goals.

Risk Appetite and Tolerance

BURS has defined its risk appetite to reflect the level of risk we are prepared to accept while pursuing our objectives. We establish risk tolerance thresholds to prevent excessive risk exposure, ensuring financial sustainability and operational integrity.

BURS Integrated Risk Management Framework:

Our framework follows a structured approach:

1. **Risk Identification:** We systematically identify risks across all functions, including operational, financial, regulatory, and strategic risks. Continuous risk assessments and scenario analysis allow us to anticipate potential challenges and opportunities.
2. **Risk Assessment:** Identified risks are evaluated based on their likelihood and potential impact. Using both qualitative and quantitative techniques, we prioritize risks to allocate resources effectively.
3. **Risk Mitigation:** We implement targeted strategies to reduce or control risks. This includes deploying internal controls, establishing contingency plans, and ensuring alignment with our risk appetite and tolerance levels. Cross-departmental collaboration strengthens our risk response mechanisms.
4. **Risk Monitoring:** Continuous tracking of key risk indicators enables us to adapt to emerging threats. Regular reviews ensure that our risk management strategies remain relevant and effective in a changing environment.
5. **Risk Monitoring:** Continuous tracking of key risk indicators enables us to adapt to emerging threats. Regular reviews ensure that our risk management strategies remain relevant and effective in a changing environment.
6. **Compliance Management:** Compliance with legal, regulatory, and policy requirements is an integral part of our risk management approach. Our compliance framework safeguards BURS against legal, financial, and reputational risks by ensuring adherence to established standards.
7. **Reporting and Communication:** Clear and transparent reporting mechanisms facilitate the timely flow of risk-related information. Regular updates to executive management and the board ensure that risks are effectively managed and that compliance obligations are met.

Commitment to Proactive Risk Management

Our Integrated Risk Management Framework underscores BURS's commitment to safeguarding financial integrity, enhancing operational efficiency, and fostering a risk-aware culture. Through continuous improvements in risk management and compliance, we remain dedicated to ensuring long-term sustainability and value creation.

Regulatory Landscape

In 2023, the Botswana Unified Revenue Service (BURS) continued to navigate a dynamic and evolving regulatory environment, ensuring full compliance with national and international laws while enhancing its role as a trusted revenue service. Our commitment to regulatory excellence remains steadfast, as we continuously align our operations with emerging legislative frameworks to enhance tax administration, promote transparency, and safeguard both national revenue and citizens from illicit goods.

The year under review experienced significant developments in regulatory requirements, particularly in areas such as financial intelligence, data protection, and cyber security. In response, BURS strengthened its internal control mechanisms and enhanced risk management practices to mitigate potential vulnerabilities. Notably, we intensified compliance efforts under the Financial Intelligence Act (FIA), reinforcing our anti-money laundering and counter-terrorism financing measures.

Furthermore, our strategic initiatives included advancing digital transformation to ensure seamless integration with global tax reporting standards, improving taxpayer compliance, and fostering a culture of regulatory awareness among stakeholders. These efforts are crucial in maintaining public trust and upholding BURS's mandate of efficient and equitable revenue collection.

As the regulatory landscape continues to evolve, BURS remains proactive in adapting to new requirements, collaborating with relevant authorities, and refining its operational frameworks to support national economic growth. Our unwavering focus on compliance, innovation, and risk management ensures that we remain a resilient and forward-looking institution in the ever-changing fiscal environment.

Internal Controls

In the dominion of tax revenue collection, robust internal controls are essential for mitigating various risks and ensuring compliance with \customs and tax laws & regulations. One significant risk is the potential for inaccuracies or discrepancies in financial records/ invoices, which can lead to erroneous tax assessments or underreporting of tax liabilities or misclassification of goods. To address this risk, BURS implements stringent controls throughout the tax collection process. This includes regular reconciliations between financial data and tax filings, as well as thorough documentation of transactions to facilitate accurate reporting.

In addition to tax collection, Customs operations also face similar risks, particularly regarding the accurate assessment of duties and tariffs. Inaccuracies in customs declarations can result in revenue losses or penalties. To counter this, BURS employs rigorous verification processes, including risk-based assessments of shipments/cargo and enhanced scrutiny of high-risk cargo, ensuring that all customs duties are correctly collected.

Moreover, the risk of tax evasion and non-compliance poses a constant challenge in both tax revenue collection and Customs operations. To address this risk, comprehensive controls are established to detect and deter fraudulent activities. BURS conducts regular audits of taxpayer accounts and customs declarations, along with strict verification procedures for high-risk transactions. In the Customs context, this involves physically examining cargo and documentation to ensure compliance with trade regulations.

Additionally, robust enforcement measures—including penalties for non-compliance—serve as deterrents and reinforce the importance of adherence to tax laws and customs regulations. These measures not only uphold the integrity of the tax and customs systems but also contribute to a fair and equitable revenue collection process.

By identifying these risks and implementing appropriate controls across both tax collection and Customs operations, BURS effectively safeguards tax revenue, maintains compliance, and upholds the integrity of the overall revenue system.

Stakeholder Relations

BURS acknowledges the significance of building strong, collaborative, and mutually beneficial relationships with its diverse stakeholders. The Board remains dedicated to upholding transparency, fairness, and accountability in all engagements, ensuring alignment with BURS's mission, vision, and strategic objectives. To support this commitment, BURS has established Memorandums of Understanding (MOUs) with key stakeholders, including the Ministry of Health, Ministry of Trade and Industry, Department of Roads Transport and Safety (DTRS), Motor Vehicle Accident (MVA) Fund, National Petroleum Fund, and others.

Commitment to Building Mutually Beneficial Relationships

BURS is committed to fostering meaningful and mutually beneficial relationships by actively engaging with stakeholders to understand their needs, expectations, and concerns. The organization recognizes that strong stakeholder relationships are essential for achieving long-term success and sustainability. The Board ensures that there is a fair and transparent balance between individual stakeholder interests and the broader strategic objectives of BURS. Through open communication, collaboration, and responsiveness, BURS aims to build trust, enhance cooperation, and create value for all stakeholders while maintaining its commitment to excellence in service delivery.

Strategy Performance & Reporting

At BURS, we recognize that effective tax revenue collection requires a seamless integration of strategic planning, performance assessment, and transparent reporting. To achieve this, we begin by formulating comprehensive strategic plans developed through in-depth consultations and stakeholder engagements. These plans define clear objectives, methodologies, and timelines for revenue collection while incorporating innovative solutions such as technology-driven data analytics and enhanced taxpayer compliance measures.

Our proactive approach enables us to anticipate and adapt to changing economic conditions and legislative developments, ensuring sustainable revenue growth. Additionally, our structured reporting mechanisms, supported by E-OPSCO, continuously monitor the implementation of these strategies, tracking progress, celebrating successes, and identifying areas for improvement. By maintaining transparency and accountability, BURS strengthens public trust and enhances decision-making in tax administration, reinforcing our commitment to excellence and efficiency.

FINANCIALS

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
GENERAL INFORMATION

31 MARCH 2023

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Institution? Coinbase Prime
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3,810.01 USD Last trade price
-0.04% 24h price
3,843 BTC 24h volume
Order Book
Price Charts
Trade History
Start trading Bitcoin
GET STARTED
Market Size
Price (USD)
My Size
USD Spread
Aggregation
Trade Size
Time
Mid Market Price
Open Orders
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BOTSWANA UNIFIED REVENUE SERVICE ADMINISTERED GOVERNMENT ACCOUNTS GENERAL INFORMATION

31 MARCH 2023

BOARD OF DIRECTORS

Dr Lesedi Says Senatla	: Chairperson -1st April 2022
Jeanette Chanda Makgolo	: Commissioner General
Ms Boitumelo S. Gofhamodimo	: Non-executive Director - from 10th December 2020 to 31 December 2022
Dr Pinkie G. Kebakile	: Non-executive Director - from 10th December 2020
Mr Pono W. Molatlhwe	: Non-executive Director - from 1st April 2021
Mr Gerald Nthebolan	: Non-executive Director - from 1st April 2021
Mr Benjamin Tobedza	: Non-executive Director - from 1st April 2021
Mr. Olesitse H. Masimega	: Non-executive Director from 1st April 2022 to 30th November 2022
Mr. Mishingo H. Jeremia	: Non-executive Director from 1st April 2022
Mr Bright Motsu	: Non-executive Director from 23rd October 2019 to 23rd October 2022
Ms Mercy B. Phuthego	: Non-executive Director from 30th April 2019 to 30th April 2022
Mr Molefe Mokopakgosi	: Non-executive Director from 1st June 2020 to 21st June 2022
Mr Lameck Nthekela	: Non-executive Director - from 10th December 2020 to 31st December 2022

ACTING BOARD SECRETARY

Kealeboga Tshane	:1st April 2022 to 30th April 2022
Ms. Linnet Mafukidze	:1st May 2022 to 31st May 2022

BOARD SECRETARY

Motsisi Mongati	:1st June 2022

NATURE OF BUSINESS

The Botswana Unified Revenue Service ("BURS") was established by the Botswana Unified Revenue Service Act, 2003. BURS is responsible for the assessment and collection of tax on behalf of the Government of Botswana.

ADDRESS

Plot 54379
CBD
Private Bag 0013
Gaborone

AUDITOR

PricewaterhouseCoopers Botswana

BANKERS

Bank of Botswana
ABSA Bank Limited
First National Bank of Botswana Limited

BOTSWANA UNIFIED REVENUE SERVICE ADMINISTERED GOVERNMENT ACCOUNTS GENERAL INFORMATION

31 MARCH 2023

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Directors are responsible for the preparation and fair presentation of the financial statements of Botswana Unified Revenue Service ("BURS"): Administered Government Revenue Accounts, comprising the statement of financial position as at 31 March 2023, the statements for financial performance, changes in net assets, and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, prepared on the modified cash basis of accounting as outlined in the "Basis of preparation" paragraph under significant account policies.

The Directors are required by the Botswana Unified Revenue Service Act, 2003 to maintain adequate accounting records and are responsible for the content and integrity of related financial information included in this report, for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error. The auditors are engaged to express an independent opinion on the financial statements and their report is presented on pages 56 to 60.

The financial statements are prepared in accordance with the modified cash basis and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements. The Directors acknowledge that they are ultimately responsible for the system of internal financial controls established by BURS and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal controls 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 BURS and all employees are required to maintain the highest ethical standards in ensuring the Revenue Service's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in BURS is on identifying, assessing, managing and monitoring all known forms of risk across BURS. While operating risk cannot be fully eliminated, BURS endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors state that, for the year ended 31 March 2023, BURS has not complied with the following sections of the Botswana Unified Revenue Service Act:

- Section 28 (2) which requires the Revenue Service to submit its books of accounts and statement of accounts to an auditor appointed by the Board within 60 days of the year-end and requires that the accounts be audited no later than 3 months after the year-end; and
- Section 29 (1) which requires the Revenues Service to submit, to the Minister, a comprehensive report on the operations of the Revenue Service during that financial year, within 6 months of the end of that year.

The Directors' have made an assessment of BURS's ability to continue as a going concern and there is no reason to believe the entity will not be a going concern in the year ahead.

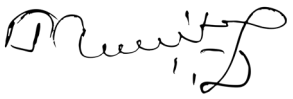
The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial controls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

DIRECTORS' APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 61 to 76, which have been prepared on the going concern basis, were approved by the Board on 24 October 2023 and were signed on its behalf by:



Board Chairperson



Commissioner General

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Independent auditor's report

To the Board of Directors of Botswana Unified Revenue Service

Our opinion

In our opinion, the financial statements of Botswana Unified Revenue Service: Administered Government Revenue Accounts are prepared, in all material respects, in accordance with the modified cash basis of accounting described in note 1 to the financial statements.

What we have audited

The financial statement of Botswana Unified Revenue Service: Administered Government Revenue Accounts' financial statements set out on pages 58 to 62 which comprise:

- the statement of financial position as at 31 March 2023;
- the statement of financial performance for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Botswana Unified Revenue Service (the "Revenue Service") in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants 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 other ethical requirements applicable to performing audits of financial statements in Botswana.

Emphasis of matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 1 of the financial statements, which describes the basis of accounting, and is based on agreement between the Revenue Service and the Ministry of Finance and Economic Development (the "Ministry") to meet the financial reporting requirements of the Ministry. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Revenue Service and the Ministry and should not be distributed to or used by any other parties.

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Country Senior Partner: R Binedell
Partners: A S Edirisinghe, I D Molebatsi, S K K Wijesena

Our opinion is not modified in respect to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Recognition of tax revenues and other revenues collected on behalf of Government Departments The Revenue Service collects taxes such as income tax (including withholding taxes) and Value Added Tax (collectively "Tax Revenue") and Customs - Southern African Customs Union Pool Receipts ("SACU – Pool Receipts") on behalf of the Government of Botswana. It also collects amounts, such as copyright levy, tobacco levy, road safety tokens, transport permits, flour levy and alcohol levy on behalf of Departments and Ministries of the Government of Botswana ("Other Revenue"). Tax Revenues, SACU – Pool Receipts and Other Revenue are included in the Statement of Financial Performance as Revenue Collected on behalf of the Government of Botswana. Tax Revenues are recognised in the Statement of Financial Performance when all of the following conditions are satisfied: • A receipt in the form of cash or cash equivalent is recorded in a bank account operated by the Revenue Service; • The identity of the taxpayer is known and the specific tax legislation from which the tax revenue is attributed is known; • The amount received or notified does not relate to temporary deposits, to the effect that there is a minimum likelihood of reimbursement of the amount.	We performed the following audit procedures: • We performed a negative confirmation process with all commercial banks in Botswana to ensure that there are no bank accounts operated in the Revenue Service's name, which had not been identified as such by the Revenue Service. We noted no exceptions. • We obtained electronic downloads of all bank statements operated by the Revenue Service for receipts of Tax Revenue, SACU – Pool Receipts and Other Revenue and, using our expertise in data analytics: o recomputed the balances on such bank accounts at 31 March 2023 utilising balances reported at 31 March 2022 and transactions recorded in the bank statements, and reconciled the recomputed balances to those recorded in the Statement of Financial Position with no exceptions; o recomputed the total values of Tax Revenue, SACU – Pool Receipts and Other Revenue based on details of transactions recorded in the bank statements and

Key audit matter	*How our audit addressed the key audit matter*
Customs - SACU Pool Receipts and Other Revenue are recognised in the Statement of Financial Performance when a receipt in the form of cash or cash equivalent is recorded in a bank account operated by the Revenue Service. For the year ended 31 March 2023, Revenue Collected on behalf of the Government of Botswana included the following amounts: • BWP26.500 billion for income taxes; • BWP9.446 billion for Value Added Taxes; • BWP13.853 billion for Customs - SACU Pool Receipts; and • BWP1.198 billion for Other Revenue. We considered the recognition of Tax Revenue, Customs and Other Revenue as a matter of most significance to the current year audit due to the high volume of individual transactions aggregated in the amounts and the significance of these amounts. Refer to the following notes to the financial statements for details: • Note 1 - Significant accounting policies; • Note 2 - Income Tax; • Note 3 - Value Added Tax; • Note 4 - Customs receipts; and • Note 8 - Revenue collected on behalf of Government Departments.	reconciled these to values in recorded the Statement of Financial Performance, noting no material unexplained reconciling differences. • We tested a sample of individual Tax Revenue transactions as recorded to underlying supporting records to assess whether these have been appropriately recognised based on the accounting policy and had been correctly classified as to underlying tax collected. We noted no significant exceptions. • We obtained a written confirmation of Customs – SACU Pool Receipts paid to the Revenue Service during the financial year from the Secretariat of the Southern African Customs Union and agreed these amounts to receipts credited to the bank accounts maintained by the Revenue Service. We noted no differences. • We tested a sample of individual Other Revenue transactions as recorded to underlying supporting records to assess whether these have been correctly classified as to underlying nature. We noted no significant exceptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Botswana Unified Revenue Service Financial Statements 31 March 2023 Administered Government Revenue Accounts". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially



inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Other matter

The Revenue Service has prepared a separate set of financial statements for the year ended 31 March 2023 to present its own financial position, its financial performance and its cash flows in accordance with International Financial Reporting Standards on which we issued a separate auditor's report to the Minister of Finance and Economic Development dated 8 November 2023.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the modified cash basis of accounting in note 1 of the financial statements and the requirements of the Botswana Unified Revenue Service Act, 2003, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Revenue Service'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 directors either intend to liquidate the Revenue Service or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and,

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based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Revenue Service'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 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 Revenue Service to cease to continue as a going concern.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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.

PricewaterhouseCoopers
Firm of Certified Auditors
Practicing member: Rudi Binedell (CAP 003 2023)

15 November 2023
Gaborone

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 P'000	2022 P'000
Revenue Collected on behalf of the Government of Botswana			
Tax revenue and customs receipts			
Income Tax	2	26,499,644	21,526,713
Value added tax ("VAT")	3	9,466,485	10,445,662
Customs - SACU Pool Receipts	4	13,853,215	14,147,632
Other Tax revenue	5	-	-
Total Tax revenue and customs receipts		**49,819,344**	**46,120,007**
Non tax revenue	6	5,329	1,748
Provision for doubtful debts	9	-	481
Total Tax revenue and customs receipts		**49,824,673**	**46,122,236**
Amount retained for BURS funding	7	(1,097,360)	(951,415)
Net Revenue collected on behalf of Government of Botswana		**48,727,313**	**45,170,821**
Revenue collected on behalf of Government Departments	8	1,197,972	934,371
Effects of currency gains/losses of Customs remittances	4	2,067	(7,115)
		49,927,352	**46,098,077**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

		2023 P'000	2022 P'000
ADMINISTERED ASSETS			
Current Assets			
Amount due from related parties	12	1,623	29,694
Amount due from Gov remm	12	175,815	209,136
Accounts receivable	9	6,732	2,091
Cash and Cash equivalents	10	36,804	9,387
Total Administered Assets		**220,983**	**250,308**
ADMINISTERED LIABILITIES			
Current Liabilities			
Amount due to related parties	12	108,293	115,784
Accounts payable	11	112,690	134,524
		220,983	**250,308**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2023

	2023 P'000
Amounts due to /(from) Government Remittance Account	
Balance at 1 April 2021	(23,443)
Total net revenue collected for the year	46,098,077
Nte transfers to Government Remittance Account	(46,283,770)
Balance at 31 March 2022	**(209,136)**
Total Net collected for the year	49,927,352
Net transfer to Government Remittance Account	(49,894,031)
Balance at 31 March 2023	**(175,815)**

The amount due to the Government Remittance Account represents collections awaiting transfer to Government, this is the default and ideal net asset position .

The amount due from the Government Remittance Account represents collections transferred in excess to the Government as at year end.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 P'000	2022 P'000
Cash flows from operating activities:		
Total net revenue collected for the year	49,927,352	46,098,077
Total net transfers to Government Remittance Account	(49,894,031)	(46,283,770)
Net Collections of transfers to Government Remittance Account	**33,321**	**(185,693)**
Movement in assets and liabilities		
(Increase)/decrease in administered non-cash assets	23,430	(29,278)
(Decrease)/increase in administered non-cash liabilities	(29,325)	10,090
Net Movement in assets and liabilities	**(5,895)**	**(19,188)**
Increase in cash and cash equivalents	27,426	(204,881)
Cash and cash equivalents at the beginning of year	9,387	214,268
Cash and cash equivalents at the end of year	**36,804**	**9,387**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of accounting policies

The reported activity - revenue collection accounts

These financial statements are reported as Administered Government Revenue Accounts. They cover transactions relating to the tax revenues collected on behalf of the Government and its related parties.

The financial statements covering those operational revenues, such as funds received from the Government, which are managed by BURS and utilized in meeting the operational costs of BURS are reported in a different set of financial statements BURS Own Accounts. The purpose of the distinction between the two sets of financial statements is to facilitate, among other things, the assessment of the administrative efficiency of BURS in achieving its mandate.

The financial statements are presented in Botswana Pula and in thousands P`000 except for Annexure 1 – Schedule of movements in collections and payments to third parties and Annexure 2 - Detailed accounts payable listing, which are reported in units of Pula. These annexures do not form part of the audited financial statements. It is presented as additional information.

Basis of preparation

The financial statements are required in terms of Sections 28 and 29 of the Botswana Unified Revenue Service Act, 2003. The financial statements are prepared on the modified cash basis of accounting.

The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the reporting entity. The modification to the cash basis is an attempt towards more relevant and faithful presentation of those events and/or transactions whose substance may be concealed by the cash basis. Modifications entail recognition of short term assets and liabilities. The recognition of assets and liabilities results in increasing or decreasing amounts due to or from the Government of Botswana compared to amounts that would otherwise, be reported if the cash accounting framework was soley used.

Whereas the cash basis remains the primary framework and the resultant financial statements would otherwise contain only a statement of financial performance “income and expenditure’ and a reconciliation of opening cash and cash equivalents to closing cash and cash equivalents, the modifications result in a statement of financial position as supported by a statement of changes in net assets.

BURS is putting in place measures to prepare for future implementation of International Public Sector Accounting Standards (“IPSAS”. BURS is engaging with the Ministry of Finance and Economic Development in order to develop detailed guidelines which will outline the procedures and timelines to be followed in Botswana for Governement owned enterprises in converting to accruals basis of accounting. Consequently, BURS has prepared the financial statements on a modified cash basis in line with the accounting principles of the Governement of Botswana.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

2. GENERAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents principally represents funds held by BURS pending transfer to the Government Remittance Account, settlement of related party payables and also constitute of tax payer deposits and unclaimed but approved tax refunds.

Tax revenue and modifications to payables/receivables

Tax revenue primarily constitutes of non-exchange gross receipts from tax payers in fulfillment of tax legislation applicable in Botswana. Tax revenue also includes penalties and interest charges in line with the relevant tax legislation. Where the tax payer has a statutory right to settlement of taxes on a net basis, the revenue is recognized on a net basis.

Tax revenue is recognized in the statement of financial performance when all the following conditions are satisfied;

- a receipt in the form of cash or cash equivalent is notified to the administrator and;
- the identity of the tax payer is known and the specific tax legislation from which the revenue is attributed is known and;
- the amount received or notified does not relate to temporary deposits, to the effect, that there is minimum likelihood of reimbursement of the amount.

The following modifications to the cash basis to tax revenue recognition apply

- a receivable is recorded separately from cash and cash equivalents where notifications of tax receipts remain unreported in the administered fund bank statements for a period of more than 120 days up to the reporting date. The lifetime of these receivables is deemed to be 2 years, subsequent to which, the balances are considered delinquent and included in the dishonoured cheques provision as impaired. Subsequent recovery of such funds is recorded in the year of recovery as a reversal of the allowance for doubtful debts and not as tax revenue for that period.

- a current liability is recognized for receipts that are not matched to a tax payer and relevant tax legislation. A reconciliation process is conducted from date of identification of such receipts in effort to match them to the relevant tax revenue or non tax revenue category. The amounts are refunded or reclassified to the statement of financial performance as tax revenues or unmatched revenue after due effort is exhausted and this is considered to be period of up to 2 years.

- tax refunds relating to previous and current periods are accounted for in the period in which the refund is approved for payment and paid. Unclaimed refunds are accounted for as a liability to tax payers.

Included in payables are temporary deposits whose likelihood of settlement is considered more probable than not, at the reporting date. These payables are non interest bearing and they expire at the earlier of redemption by the tax payer or the life determined by the relevant tax legislation and approval by the Commissioner General.

- inherent to the tax administration process is that assessments may be disputed, both in favor or unfavorable to the Government of Botswana, the degree of estimation uncertainty and confidentiality of pending favorable/unfavorable disputed tax assessments is considered too high, as such no disclosures are made in the financial statements.

- subsequent events may provide a conclusive and precise amount due to/from tax payers, materiality is considered for disclosure notes as contingent liabilities or contingent assets with no changes in actual amounts received or paid during the financial period.

Other tax revenue

Other tax revenue consists of cash received from tax payers in settlement of dishonored cheques that had been previously considered as delinquent and impaired.

Non tax revenue

Non-tax revenue consists of license fees and customs fines. License fees are paid by companies and individuals registered with BURS to transact various types of customs businesses such as the operation of bonded warehouses

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

General Accounting Policies continued

and customs clearing agents. Customs fines are received in respect of detected non-compliance with the Revenue Laws, usually at border posts or other ports of entry.

Customs revenue, currency fluctuations and remittances
Customs – "SACU pool receipts" constitutes of non – exchange amounts received by the reporting entity by virtue of Botswana's membership with the Southern African Customs Union 'SACU'. The amounts are determined in line with relevant provisions of the SACU agreement. Customs revenue is recognized on a cash basis with due consideration for the business model underpinning the customs process, to the effect that; some modifications apply as follows;

The customs collections and remittances process entails translation of currency units of Pula and other currencies collected from tax payers at the average foreign currency exchange rates prevailing at time of collection which may differ from the spot rate at remittance date. Such realized exchange gains/losses are accounted for within administered funds and included in the statement of financial performance as they are inherent to the customs revenue attributable to the Government of Botswana.

Whereas all customs collections must be accurately and completely remitted to the SACU pool, as the Government of Botswana contribution, differences may arise between amounts collected and amounts remitted, the effect being over or under remittances. Such overpayment/under payments remittances are offset against SACU receipts in the year they arose. This is considered to be the legal and substance of the underlying guidelines underpinning the SACU Agreement's Customs sharing formulae per Annexure A, Clause 1(b) of the SACU Agreement.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

2. INCOME TAX

Income tax revenue collected during the year was derived from the following sources

	2023 P'000	2022 P'000
Withholding tax	5,096,255	4,214,030
Deduct tax (Pay As You Earn)	8,954,643	7,806,559
Assessed tax	12,662,457	10,093,995
Penalty	1,029	1,007
Transfer duty	93,611	80,258
Capital transfer tax	3,146	4,339
Gross income tax receipts	**26,811,141**	**22,200,188**
Refunds	(311,497)	(673,475)
Net income tax receipts	**26,499,644**	**21,526,713**

3. VALUE ADDED TAX ("VAT")

VAT is recognized in the statement of financial performance on a net basis. VAT is structured in such a manner that companies are also entitled to claim refunds; hence the breakdown of gross receipts and refunds is disclosed. VAT refunds arise when the input tax for any tax period is greater than the output tax for that period, or when tax paid is in excess of the amount properly charged to tax under the VAT Act. The refunds are paid from the VAT collections. VAT refunds reported in the statement of financial performance for the years ended 31 March 2023 and 31 March 2022 represent the actual cash paid out as VAT refunds. The net VAT revenue received during the year is analyzed as follows:

VAT Import	6,298,827	6,449,305
VAT Internal	6,020,767	5,390,712
VAT interest and penalties	98	112,724
Fuel Levy	1,439,196	1,313,175
Gross receipts	**13,758,888**	**13,265,916**
Refunds	(4,292,403)	(2,820,254)
Net VAT receipts	**9,466,485**	**10,445,662**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4. CUSTOMS RECEIPTS

The customs receipts represent monies received by the Government of Botswana by virtue of membership to the Southern African Customs Union ("SACU"). SACU member states collect customs and excise duties and deposit the revenue into the SACU Common Revenue Pool in accordance with the provisions of the SACU Agreement and its respective ammendments that have been approved by member states.

The member states annually calculate and distribute the share due to each member state in accordance with a revenue sharing formula in accordance with provisions of the SACU Agreement. SACU pool customs cut-off transactions are accounted for in the statement of finanial position to the Government Remitance Account whilst effects of foreign currency translation differences are recorded in the statement of financial performance.

	2023 P'000	2022 P'000
Customs - SACU pool receipts	13,853,215	14,147,632
SACU (over)/under payment adjustment	-	-
	13,853,215	14,147,632
Effects of currency gains/losses of Customs receipts	2,067	7,115

5. OTHER TAX REVENUE

Other tax revenue reported includes collection from the replacement of prior year cheques dishonoured by bank

	2023 P'000	2022 P'000
	-	-

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

6. NON - TAX REVENUE

Non-tax revenue consists of license fees and customs fines. License fees are paid by companies registered with BURS to transact various types of customs businesses such as the operation of bonded warehouses and customs clearing agents. Customs fines are received in respect of detected non-compliance with the Revenue Laws, usually at border posts or other points of entry.

The amount reported as non-tax revenue in the statement of financial performance is made up of the following:

	2023 P'000	2022 P'000
Licence Fees	23	16
Customs Fines	5,306	1,732
	5,329	1,748

7. AMOUNT RETAINED FOR BURS FUNDING

The Ministry of Finance and Economic Development has, through the Notice of Funds of the Revenue Service Order, 2012, issued in accordance with Section 26 (1) (d) of the Botswana Unified Revenue Service Act, 2003, authorized the Revenue Service to retain a maximum of 2 percent (2%) of the revenue collected per annum to use for recurrent budget and 1 percent (1%) of the total revenue collected to use for the development budget. The Revenue Service implemented such notice with effect from 1 April 2013.

BURS has complied with provisions of the retention guidelines and the amount transferred to BURS Own accounts from Administered Government Revenue Accounts during the financial year ended
31 March 2023 is as follows:

	2023 P'000	2022 P'000
Amount retained for BURS funding	1,097,360	951,415
Consisting of:		
Amount retained for use of in recurrent expenditure (note 12)	783,938	679,677
Amount retained for use of in development expenditure (note 12)	313,422	271,738
	1,097,360	**951,415**
The limits for the comparative years were as follows:		
Recurrent expenditure - 2 percent of total revenue collected	996,493	922,445
Development Expenditure - 1 percent of total revenue collected	498,247	461,222
	1,494,740	**1,383,667**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

8. REVENUE COLLECTED ON BEHALF OF GOVERNMENT DEPARTMENTS

BURS collects revenue on behalf of Government departments. These include:

i Road safety and permit fees (Ministry of Transport and Communications - Department of Road Transport and Safety);
ii Flour levy and Alcohol levy (Ministry of Investment, Trade and Industry - Department of Trade and Consumer Affairs); and
iii Copyright levy (Ministry of Investment, Trade and Industry - Registrar of Companies).

The amount reported as revenue collected on behalf of other Government departments includes the following:

	2023 P'000	2022 P'000
Revenue collected		
Copyright levy	20,225	6,913
Tobacco levy	37,603	51,916
Road Safety tokens	7,191	4,773
Transport permit	357,268	210,928
Flour levy	-	889
Alcohol vevy	577,587	481,311
Covid levy	3,748	46,417
Plastic Levy	25,258	17,822
Sweet beverages Levy	106,018	79,226
Kazungula Bridge Toll Fees	63,074	34,176
	1,197,972	**934,371**

9. ACCOUNTS RECEIVABLE

Accounts receivable represents debtors in respect of cheques dishonoured by bank and payments due from BURS Own Account

	2023 P'000	2022 P'000
Other receivable	5,845	2,091
Dishonoured cheques	95,465	94,577
Provision for doubtful debts	(94,578)	(94,577)
Accounts receivables	**6,732**	**2,091**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

9. ACCOUNTS RECEIVABLE (CONTI...)

The movements in the provision for doubtful debts is as follows

	2023 P'000	2022 P'000
Balance at the beginning of the year	(94,577)	(95,058)
Provision made for dishonoured cheques during the year	-	481
Balance at end of the year	**(94,577)**	**(94,577)**

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held in non interest bearing short term deposits representing cut off deposits yet to be transferred to the Government remittance accounts or third parties that are reported as payables.

	2023 P'000	2022 P'000
Bank and cash balances	36,804	9,387

11. ACCOUNTS PAYABLE

	2023 P'000	2022 P'000
Amount due to tax payers	59,291	55,055
Unallocted tax payer receipts	53,399	79,469
	112,690	134,524

Amounts due to tax payers
These constitute of receipts for temporary import taxes that are refundable upon export, convenience advance deposits by agencies for customs clearance and tax refunds that remain unclaimed by the tax payer whilst the refunds have been approved.

Unallocated tax payer receipts
These constitute of tax payer receipts that have no specific tax payer identity or identifiable tax legislation to which the receipt is attributed.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise BURS as reported in BURS Own Accounts and Government Entities whose statutory collections are executed by BURS. Transactions with related parties are in the normal course of business and on terms consistent with Memoranda of Agreements. Due to the nature of BURS's business, there are a large number of transactions, relating to tax collection income with Government departments and other Government entities, these are not inlcuded in these financial statements as related party transactions and balances.

The following are transactions and balances with related parties:

	2023 P'000	2022 P'000
BURS - As reported in Own Accounts		
Amount retained for BURS funding		
Recurrent Expenditure	783,938	679,677
Development expenditure	313,422	271,738
	1,097,360	**951,415**
Amount due from BURS		
Bank Charges	1,623	29,694
Amount due to Governmemnt Entities	**(108,293)**	**(115,784)**
Human Resources Development Council	(80,957)	(96,990)
Motor Vehicle Accident Fund	(8,353)	(1,284)
BURS Commission payable	(18,983)	(17,510)
Customs and Excise duties	-	-
Amount (due to)/ from Government Remittance	**175,815**	**394,829**
Amount due to:		
Amount due from: Overpayment to Government remittance	173,748	387,714
Fluctuation in foreign currency	2,067	7,115
	67,522	**279,045**

The amount due from the Government Remittance Account represents collections transferred in excess to the Government as at year end and loss resulting from fluctuation in foreign currency exchange when remitting to SACU, whereas the amount due to the Government Remittance Account represents collections awaiting transfer to Government.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

13. SUBSEQUENT EVENTS

Post 2022/23 financial year ,the international Monetary Fund (January 2023) projects the global economic growth will be the weakest growth profile since 2001 except for the Global Financial Crisis and the acute phase of the COVID -19 pandemic. The global economy is estimated to slow down to 3.4 % in 2022 from 6.2% in 2021,before decelerating to 2.8% in 2023 and rise to 3.0% in 2024 from 6.2% in 2021 and 3.4% in 2022.This is owing to rising interest rates and the Russian –Ukraine war.

This declining projected growth rates are expected to have significant impact on the growth of other economies including the Sub-Saharan African and SADC regions. Countries like Botswana will be much affected because Botswana heavily relies on export of one commodity being diamonds. As a result, Botswana s growth is expected to slow to 3.8 percent in 2023 from 5.8 percent in 2022 due to the projected decline in diamond production and the weaker global environment.

In addition, the global economy continues to face challenges posed by the external environment which are more challenging than in the previous financial year. These include the Russian-Ukraine conflict which has a bearing on the availability of critical commodities, fuel prices, inflation and interest rates. As a result, the Global growth prospects for 2023 are now subdued, with economic recession expected in some major countries. There is also an anticipated risk of emerging of new COVID-19 in China.

Domestically ,the country continues to face challenges relating to:

* Slow implementation of reforms and initiatives and long .standing issues relating to the quality of projects.
* Corruption
* Insufficient progress in the critical task of diversifying exports
* Unemployment remaining high.

In addition , the global economic activity has been experiencing inflation higher than seen in several decades. This inflationary pressures are due to the pandemic related disruptions, expansionary policies, rebounding demand and the impact of the Russian –Ukraine war energy and food prices. The domestic economy prices remained skewed to the upside as the basic commodities and manufactured goods escalated in 2022.

Annual inflation rose to 14.6% by August 2022 which marked the highest rate since 2008.Amid global monetary and financial tightening and the ensuing slow down in the global growth and softening of the commodities prices, economic activity is expected to decelerate throughout the world which may gradually lead to residing of inflation pressures.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
ANNEXURE 1 - SCHEDULE OF MOVEMENTS IN COLLECTIONS AND PAYMENTS TO THIRD PARTIES
FOR THE YEAR ENDED 31 MARCH 2023

This annexure does not form part of the audited financial statements. It is presented as additional information

	SACU Common Revenue Pool P	Motor Vehicle Accident Fund P	Human Resources Development Council P	Total P
31 March 2023				
Balance at 1st April 2022	**(2,081,834)**	**1,284,018**	**96,990,198**	**96,192,382**
Collections	737,248,319	19,359,536	418,039,994	1,174,647,848
Payment to third parties	(743,155,372)	(12,291,026)	(434,073,631)	(1,189,520,029)
Payments - BURS Commission				-
Balance at 31 March 2023	**(7,988,887)**	**8,352,528**	**80,956,560**	**81,320,202**
31 March 2022				
Balance at 1st April 2021	**23,261,565**	**739,343**	**98,268,168**	**122,269,076**
Collections	665,972,265	5,043,535	374,113,356	1,045,129,156
Payment to third parties	(691,315,664)	(4,343,016)	(351,716,762)	(1,047,375,442)
Payments - BURS Commission	-	(155,844)	(23,674,564)	(23,830,408)
Balance at 31 March 2022	**(2,081,834)**	**1,284,018**	**96,990,198**	**96,192,382**

Collections to third parties represent funds that had not been transferred at year end from collections due from service level agreements. BURS have entered into service level agreements with parastatals to collect revenue on their behalf. The agreements are as follows:

Motor Vehicle Accident Fund ("MVA Fund") for the collection of the fuel levy; and
Human Resource Development Council ("HRDC") for the collection of the training levy.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
ANNEXURE 2 - DETAILED ACCOUNTS PAYABLE LISTING
FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTS PAYABLE	Other Payables P'000	Unremitted Collections P'000	Refundable Deposits P'000	Total P'000
31 March 2023				
Temporary Deposit			37,637	37,637
Payable to BURS Own Accounts (note12)	18,983			18,983
Customs and Excise duties		-		-
Training Levy (HRDC)		80,957		80,957
Assurance Levy (Motor Vehicle Accident Fund)		8,353		8,353
Unallocated Electronic Funds Transfers (ËFT) transaction)		51,619		51,619
Unpresented cheques	49			49
Income Tax refund accounts	21,605			21,605
Cash gains and losses		-		-
Various suspense account	1,780			1,780
	42,417	**140,929**	**37,637**	**220,983**
31 March 2022				
Temporary Deposit			31,416	31,416
Payable to BURS Own Accounts (note12)	17,510			17,510
Customs and Excise duties				
Training Levy (HRDC)		96,990		96,990
Assurance Levy (Motor Vehicle Accident Fund)		1,284		1,284
Unallocated Electronic Funds Transfers (ËFT) transaction)		78,062		78,062
Unpresented cheques	2			2
Income Tax refund accounts	21,605			21,605
Cash gains and losses		2,032		2,032
Various suspense account	1,407	-		1,407
	40,524	**178,368**	**31,416**	**250,308**

FINANCIALS

BOTSWANA UNIFIED REVENUE SERVICE
OWN ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

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BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) GENERAL INFORMATION

31 MARCH 2023

BOARD OF DIRECTORS

Dr. Lesedi Says Senatla	: Chairperson - 1st April 2022
Jeanette Chanda Makgolo	: Commissioner General - 1st August 2021
Ms Boitumelo S. Gofhamodimo	: Non-executive Director - from 10th December 2020 to 31st December 2022
Dr Pinkie G. Kebakile	: Non-executive Director- from 10th December 2020
Mr Pono W. Molatlhwe	: Non-executive Director from 8th April 2021
Mr Gerald Nthebolang	: Non-executive Director from 8th April 2021
Mr Benjamin Tobedza	: Non-executive Director from 8th April 2021
Mr. Olesitse H. Masimega	: Non-executive Director from 1st April 2022 to 30th November 2022
Mr. Mishingo H. Jeremia	: Non-executive Director from 1st April 2022
Mr Bright Motsu	: Non-executive Director from 23rd October 2019 to 23rd October 2022
Ms Mercy B. Phuthego	: Non-executive Director from 30th April 2019 to 30th April 2022
Mr Molefe Mokopakgosi	: Non-executive Director from 1st June 2020 to 21st June 2022
Mr Lameck Nthekela	: Non-executive Director - from 10th December 2020 to 31st December 2022

ACTING BOARD SECRETARY

Mr Kealeboga Tshane	:1st April 2022 to 30th April 2022
Ms Linnet Mafukidze	:1st May 2022 to 31st May 2022

BOARD SECRETARY

Motsisi Mongati	:1st June 2022

NATURE OF BUSINESS

The Botswana Unified Revenue Service ("BURS") was established by the Botswana Unified Revenue Service Act, 2003. BURS is responsible for the assessment and collection of tax on behalf of the Government of Botswana.

ADDRESS

Plot 54379
CBD
Private Bag 0013
Gaborone

AUDITOR

Grant Thornton

BANKERS

First National Bank of Botswana Limited

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Directors are responsible for the preparation and fair presentation of the financial statements of Botswana Unified Revenue Service ("BURS"): Own Accounts, comprising the statement of financial position as at 31 March 2023, the statements of comprehensive income, changes in reserves, and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS)" and in manner required by the Botswana Unified Revenue Service Act (Chapter 53:03) .

The Directors are required by the Botswana Unified Revenue Service Act, 2003 to maintain adequate accounting records and are responsible for the content and integrity of and related financial information included in this report, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error. The auditors are engaged to express an independent opinion on the financial statements and their report is presented on pages 56 to 60

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

The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by BURS and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets 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 BURS and all employees are required to maintain the highest ethical standards in ensuring BURS's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in BURS is on identifying, assessing, managing and monitoring all known forms of risk across BURS. While operating risk cannot be fully eliminated, BURS endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors state that, for the year ended 31 March 2023, BURS has complied with the following paragraphs of the Botswana Unified Revenue Service Act:

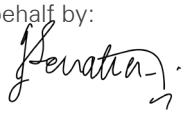
- Paragraph 28 (2) which requires the Revenue Service to submit its books of accounts and statement of accounts to an auditor appointed by the Board within 60 days of the year-end and requires that the accounts be audited no later than 3 months after the year-end; and
- Paragraph 29 (1) which requires the Revenue Service to submit, to the Minister, a comprehensive report on the operations of the Revenue Service during that financial year, within 6 months of the end of that year.

The Directors' have made an assessment of BURS' ability to continue as a going concern and there is no reason to believe BURS will not be a going concern in the year ahead.

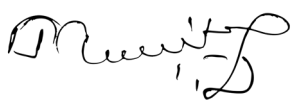
The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control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

DIRECTORS' APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 84 to 115, which have been prepared on the going concern basis, were approved and authorised for issue by the Board of Directors on 24 October 2023 and were signed on its behalf by:



Board Chairperson



Commissioner General

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Independent auditor's report

To the Board of Directors of Botswana Unified Revenue Service

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Botswana Unified Revenue Service (the "Revenue Service") as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

Botswana Unified Revenue Service's financial statements set out on pages 84 to 115 comprise:

- the statement of financial position as at 31 March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Revenue Service in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants 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 other ethical requirements applicable to performing audits of financial statements in Botswana.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers, Plot 64289, Tlokweng Road, Gaborone, Botswana
P O Box 294, Gaborone, Botswana
T: (267) 370 9700, www.pwc.com/bw

Country Senior Partner: R Binedell
Partners: A S Edirisinghe, I D Molebatsi, S K Wijesena

Key audit matter	*How our audit addressed the key audit matter*
Change in accounting policy - Land and Buildings During the current financial year, the Revenue Service changed its accounting policy for land and buildings from the revaluation model to the depreciated cost model. The cost model was deemed to be more relevant to the users of the Revenue Service's financial statements. As per the requirements of the IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"), this change required the Revenue Service to apply the change in accounting policy on a fully retrospective basis. This change in accounting policy and the retrospective application thereof were considered to be of most significance to the current year audit given the relevant IFRS considerations impacting on the decision to change the accounting policy, the materiality of the adjustments passed, and the extended disclosures made in the financial statements in support of this change. Refer Note 13 "Property, Plant and Equipment" to the financial statements.	Our audit procedures included, amongst others, the following: • Using our IFRS expertise, we assessed whether the Revenue Service's decision to change this accounting policy complied with the relevant IFRS considerations set out in IAS 8, and whether the disclosures included in the financial statements adhere to the requirements of IAS 8. We found no material exceptions. • We tested the adjustments passed by the Revenue Service to give effect to the change in accounting policy with reference to relevant supporting documents, and by reconciliation of the accounting entries to the detailed fixed asset register. No material exceptions were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Botswana Unified Revenue Service Financial Statements 31 March 2023 (Own Accounts)". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the entity'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 directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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.

PricewaterhouseCoopers
Firm of Certified Auditors
Practicing member: Rudi Binedell (CAP 003 2023)

15 November 2023
Gaborone

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 P'000	*Restated 2022 P'000
Income			
Government funding for recurrent expenditure	6	879,852	726,729
Revenue from contracts with customers	7	112,976	84,574
Other income	8	104,943	85,840
Total income		1,097,771	897,143
Administrative expenses	9	(359,394)	(312,809)
Staff costs	11	(703,125)	(611,041)
Total expenses		(1,062,519)	(923,850)
Operating surplus / (deficit) for the year		**35,252**	**(26,707)**
Finance income	12	1,849	776
Finance cost	12	(439)	(535)
Total surplus / (deficit) for the year		**36,662**	**(26,466)**
Other comprehensive (loss)/income for the year		**-**	**-**
Total comprehensive (loss)/income		**36,662**	**(26,466)**

* Restated for change in accounting policy - refer Note 13

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 P'000	2022 Restated * P'000	1 April 2021 Restated * P'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	1,804,089	1,706,470	1,562,652
Right of use asset	23	8,025	10,452	12,339
Intangible assets	14	142,034	150,000	153,932
		1,954,148	1,866,922	1,728,923
Current assets				
Inventories	15	3,106	3,415	3,951
Trade and other receivables	16	87,958	62,966	49,648
Cash and cash equivalents	17	209,424	132,567	130,464
		300,488	198,948	184,063
Non current assets held for sale	13	1,997	1,914	-
Total assets		**2,256,633**	**2,067,784**	**1,912,986**
RESERVES AND LIABILITIES				
Reserves				
Accumulated deficit		(29,827)	(66,489)	(40,023)
		(29,827)	(66,489)	(40,023)
Non-current liabilities				
Capital grants	19	2,077,630	1,937,722	1,773,227
Lease liability	23	5,430	8,542	10,217
		2,083,060	1,946,264	1,783,444
Current liabilities				
Trade and other payables	20	199,748	184,968	166,812
Lease liability	23	3,652	3,041	2,753
		203,400	188,009	169,565
Total reserves and liabilities		**2,256,633**	**2,067,784**	**1,912,986**

* Restated for change in accounting policy - refer Note 13

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Properties revaluation reserve P'000	Accumulated surplus P'000	Total P'000
Balance at 31 March 2021 - as previously stated		**203,442**	**(320,790)**	**(117,348)**
Change in accounting policy	13	(203,442)	280,767	77,325
Balance at 01 April 2021 - restated		**-**	**(40,023)**	**(40,023)**
Deficit for the year		-	(26,466)	(26,466)
Balance at 31 March 2022		**-**	**(66,489)**	**(66,489)**
Balance at 01 April 2022		**-**	**(66,489)**	**(66,489)**
Surplus for the year		-	36,662	36,662
Balance at 31 March 2023		**-**	**(29,827)**	**(29,827**

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 P'000	2022 P'000
Cash flows from operating activities			
Surplus /(Deficit) for the year		36,662	(26,466)
Interest income	12	(1,849)	(776)
Adjustment for non-cash items	22	6,503	12,159
Operating deficit before working capital changes		**41,316**	**(15,083)**
Changes in working capital			
Decrease in inventories		309	536
Increase in trade and other receivables		(24,992)	(13,318)
Increase in trade and other payables		14,780	17,345
Net cash generated from movement in working capital		**(9,903)**	**4,563**
Cashflow from operating activities		**31,413**	**(10,520)**
Cash flows from investing activities			
Interest received	12	1,849	776
Purchase of property, plant and equipment	13	(187,533)	(219,685)
Purchase of intangible assets	14	(192)	(6,406)
Proceeds on disposal of property, plant and equipment		387	280
Net cash used in investing activities		**(185,489)**	**(225,035)**
Cash flows from financing activities			
Lease payments	23	(3,233)	(2,508)
Interest paid	12	(439)	(535)
Net development funding received from the Government of Botswana	19	234,605	240,688
Net cash generated from financing activities		**230,933**	**237,645**
Net decrease in cash and cash equivalents		76,857	2,103
Cash and cash equivalents at beginning of year		132,567	130,464
Cash and cash equivalents at end of year	17	**209,424**	**132,567**

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023

1. GENERAL INFORMATION

Botswana Unified Revenue Service ("BURS") is a body corporate established by an Act of Parliament (Botswana Unified Revenue Service Act, 2003) as part of the Government of Botswana's reform strategy for revenue administration. BURS is charged with the mandate of:

a) assessing and collecting tax on behalf of the Government; and

b) administering and enforcing the revenue laws, which include the Customs and Excise Act, Income Tax Act, the Capital Transfer Act and the Value Added Tax Act.

For financial reporting purposes, the financial statements of BURS are reported as: Administered Government Revenue Accounts and Own Accounts. The financial statements – Administered Government Revenue Accounts cover transactions relating to the revenue collected on behalf of the Government.

The financial statements – Own Accounts cover those operational transactions, such as funding received from Government, which are managed by BURS and utilised in running the organisation. The purpose of the distinction between the two sets of financial statements is to facilitate, among other things, the assessment of the administrative efficiency of BURS in achieving its mandate. The financial statements are reported in Botswana Pula and in thousands (P'000).

2 PRINCIPLE ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below, these policies have been consistently applied to all years presented, unless otherwise stated.

2.1 **Basis of preparation**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRSIC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on board of directors' best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires the board of directors to exercise its judgment in the process of applying the BURS accounting policies.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

2 PRINCIPLE ACCOUNTING POLICIES (CONTINUED)

2.1.1 New standards, amendments and interpretations to existing standards effective for the first time for March 2023 year-ends

Number	Effective date	Summary of amendments
Annual improvements cycle 2018 -2020	"Annual periods beginning on or after 1 January 2022 (Published May 2020)"	"These amendments include minor changes to: > IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. > IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. "
Annual improvements cycle 2018 -2020	"Annual periods beginning on or after 1 January 2022 (Published May 2020)"	"These amendments include minor changes to: > IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives."
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	"Annual periods beginning on or after 1 January 2022 (Published May 2020) "	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	"Annual periods beginning on or after 1 January 2022 (Published May 2020) "	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

2 PRINCIPLE ACCOUNTING POLICIES (CONTINUED)

2.1.2 New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by BURS

The following new standards, amendments and interpretations to existing standards are mandatory for BURS. These are not yet effective and BURS has not made early adoption, hence BURS has not conducted any impact assessments for these standards.

Number	Effective date	Summary of amendments
Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	"Annual periods beginning on or after 1 January 2023 (Published Jan 2020)"	"The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment. Further detailed information is available at the following link: In Brief 2020-3"
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	"Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published February 2021)"	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Land and buildings
Land and buildings held for administrative purposes, are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Motor vehicles, computer and office equipment, leasehold improvements, porta-camps and security dogs
Computers and office equipment, plant and machinery, office furniture, leasehold improvements and porta-camps, are stated at cost less accumulated depreciation and accumulated impairment losses. Cost consist of directly attributable costs to bringing the assets to present location and condition necessary for use.

Depreciation
Depreciation is charged, using the straight-line basis to write off the cost over their estimated useful lives and charged to the statement of comprehensive income.

The revised estimated useful economic lives used in the calculation of depreciation are set out below:

Category	*Economic life (in years)*
Buildings	50
Land - freehold	Infinity
Land - leasehold	50
Right of use asset	03 – 07
Motor vehicles (light vehicles)	06 – 12
Motor vehicles (vans and trucks)	08 – 15
Office furniture	10 – 15
Computer and office equipment	05 – 10
Porta-camps	10 - 15
Plant and machinery	06 – 15
Leasehold improvements	03 – 05
Security dogs	8
Intangibles	05 – 25

The estimated useful lives, residual values and depreciation methods are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of assets
The BURS carry impairment reviews yearly. Assets are considered impaired if they are any of the following: they have been physical damaged, they are obsolete, they are idle, they are held for sale or they have been abandoned. If the recoverable amount of an asset is below the carrying amount, the loss is written off to the income statement.

Repairs and maintenance
Repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Intangible assets

Computer software costs

Costs that are directly associated with the development of identifiable software products controlled by BURS, that will probably generate economic benefits beyond one year that can be measured reliably, are recognised as intangible assets. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as capital improvements and added to the original cost of the software. The intangible assets are amortised over 5 - 25 years using straight line method. Computer software has been acquired.

Computer software is capitalised at cost when its probable that the expected future economic benefits attributable will flow to the BURS and the costs can be reliably measured. These costs include employee costs incurred as a result of developing software and an appropriate proportion of relevant overheads. These costs are amortised over their estimated useful lives. Intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses. An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in profit or loss when the asset is derecognised. Amortisation and impairment charges are recognised in statement of comprehensive income.

Work in progress is not amortised until the asset is complete and ready for use.

3.3 Revenue

Revenue recognition

The core principle of IFRS 15 "Revenue from Contracts with Customers" requires an entity to recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to in exchange for transferring those goods or services to the customer. Revenue is recognised when, or as, the performance obligations to the customer are satisfied. Consideration received in advance of recognising the associated revenue from the customer is recorded within contract liabilities (deferred income). Bad debt on bills raised in the year considered uncollectable based on historic experience, is excluded from IFRS 15 revenue to ensure revenue is recorded at the amount which BURS expects to receive, for providing its services to customers. The following services are recorded within "Revenue" in the Income Statement since they relate to BURS's obligation as a revenue services provider to provide these services to customers:

Government funding for recurrent expenditure

In terms of the Memorandum of Understanding signed between BURS and the Ministry of Finance and Economic Development ("MFED") in 2007, BURS should remit all revenue collected to the Government Remittance Account. However, subsequent to the signing of this Memorandum, the MFED has, through the Notice of Funds of the Revenue Service Order, 2012, authorised the Revenue Service to retain, not more than 2 percent (2%) of the revenue collected per annum to fund the recurrent budget and not more than 1 percent (1%) of the total revenue collected be used for the development budget and that annual ceilings should be approved, on an annual basis, by the MFED. The Revenue Service implemented such notice with effect from 1 April 2013.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue (continued)

Government funding for recurrent expenditure

Government funding relating to the recurrent expenditure of BURS, disbursed for the purpose of giving immediate financial support to BURS with no future related costs, is recognised in the Statement of Comprehensive Income in the period in which they become receivable.

Government grant accounting under IAS 20 permits grant income to be recognized when it is probable that the entity will receive the grant as they will likely fulfil the conditions thereof. IAS 20, therefore, results in recognition upon approval of BURS expenditure budget, supported by historical success in executing the mandate of the institution, as at this stage the probability test is achieved. On the contrary, IFRS 15 recognition is driven by fulfilment of performance obligations and not probability of fulfilment. Due to the timing of inflows or drawdown of the recurrent budget, there is less to no impact on the timing of recognition.

Commission/Agency fees

Agency commissions represent fees charged by BURS for collecting revenues on behalf of Government Departments and Parastatals. Whilst the obligations appear to be to collect and remit, the substance is that the agency role is to execute collection activities, and the agent fulfils this obligation by assigning resources and processes. The business model interpretation is that BURS fulfils its performance obligation during the collection process and remittance is not fundamental to the timing of recognition of revenue. Consequently, there is a single obligation and no split of collection and remittance as these are incidental to each other, the former being the lead obligation.

BURS recognises a receivable with corresponding revenue entry in the event of commission not being settled by the customer at the reporting date. Such receivable is scoped onto IFRS 9. Revenue is received quarterly in arrears.

Other Income

Other income constitutes ancillary services incidental to the conduct of revenue generating activities. The entity is entitled to the income as such collections are not scoped within the income attributable to the principal, being the Government of Botswana income heads. In the absence of amendments to the income heads, BURS considers the income as administrative income earned by the agency business model. Income is received quarterly in arrears.

3.4 Government Capital grants

Grants are recognised when there is reasonable expectation that the grant will be received and all attached conditions will be complied with. BURS may receive grants relating to capital projects in form of cash or physical assets and towards income expenditure. Grant income related to capital projects or in physical assets is initially recognised as deferred income in the statement of financial position with a corresponding asset recognised in property, plant and equipment or development expenditure, whichever is relevant. Subsequently, the deferred income is amortised to the statement of comprehensive income in a manner consistent with depreciation of the related asset.

3.5 Foreign currencies

The financial statements of BURS are prepared and presented in Botswana Pula, the currency of the primary economic environment in which BURS operates and the functional currency. Transactions in currencies other than Botswana Pula are recorded at functional currency rate ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. All differences are taken to the profit and loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Employee benefits

Short term employee benefits

All BURS employees are paid salaries and allowances monthly in arrears while the employee is in service.

When an employee has rendered service to the entity during a reporting period, the BURS recognises the amount of short-term employee benefits expected to be paid in exchange for that service after deducting any amount already paid. If the amount already paid exceeds the amount of the benefit, the BURS recognises that excess as a prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments.

Retirement benefits

BURS operates a defined contribution pension fund for its entire pensionable and permanent citizen staff. The fund is registered under the Pension and Provident Funds Act (Chapter 27:03) of the Laws of Botswana. BURS contributes 15% of the pensionable earnings of the members to the fund while employees contribute an additional 5% of their pensionable earnings. BURS's contributions to the pension fund are recognised as an expense in the profit and loss when employees have rendered the service entitling them to the contributions.

3.6 Employee benefits

Terminal gratuities

Employees on contract employment terms receive terminal gratuities in accordance with their contracts of employment. An accrual is made for the estimated liability towards such employees up to the end of the reporting period. For employees on daily rate terms, an accrual is made for the severance benefits.

Employee bonus plans

BURS has an approved bonus payment plan to pay a performance incentive to its employees who have met and exceeded agreed levels of performance and are entitled to the bonus payment in accordance with principles outlined in the performance management system. The expected cost of the bonus payment is recognised during the year which the agreed level of performance was exceeded.

3.7 Inventory

Inventories for BURS represent supplies to be consumed in the rendering of services and are measured at cost, determined on a First-in-First-out basis. Consumable stores are expensed to the statement of comprehensive income as they are utilised, unless they satisfy the recognition criteria as critical spares, which are capitalised as property, plant and equipment. Inventory losses are expensed in the statement of financial performance in the period in which the write-downs or losses occur.

3.8 Finance Income and expense

Interest income or interest expense is recognised for all interest-bearing financial instruments on an accrual basis, using the effective interest rate method. Interest income or interest expense is recognised in profit or loss except for interest expense capitalised as part of the construction of a qualifying asset. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial Instruments

A financial instrument is defined as a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

BURS recognises financial assets and financial liabilities at the trade date when it becomes a party to the contractual provisions of the instrument.

Initial recognition

Financial assets and financial liabilities are initially measured at cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Financial assets and liabilities are subsequently measured at amortised cost.

FINANCIAL INSTRUMENTS: IFRS 9

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

Financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured initially at fair value and subsequently at amortised cost or fair value on the basis of BURS's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost.

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the financial assets, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI). All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

At fair value through profit or loss (FVTPL)

BURS does not have assets measured at fair value through profit and loss

Financial Assets at Amortised Cost

Trade receivables, and other receivables are classified as Financial Assets at Amortised Cost. They are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial Instruments (continued)

Impairment of financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Provision for expected credit losses of trade receivables

Trade receivables constitute of amounts due from related parties as a result of agency commissions not deducted from gross collections. The Simplified Expected Credit Loss (ECL) model is applicable to non-interest bearing financial assets, regardless of being due from related parties. Ordinarily these are settled within a month, as such the presumption of low credit risk is assumed and given historical pattern of recovery, no ECL is applied, in event of observable pattern in default on payment terms, a loss factor reflective of the short term government bond active at the time of reporting is applied.

Derecognition of financial assets

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

Financial liabilities and equity instruments issued by BURS

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as financial liabilities at Amortised cost.

Recognition

Financial liabilities at fair value through profit and loss are recognised at fair value and subsequently at fair value Financial liabilities at amortised cost are recognised at fair value less cost and subsequently at amortised cost using effective rate method.

Derecognition of Financial Liability

Financial liability is derecognised only when, the liability is discharged or cancelled or expires, the result of which the terminated liability (or part of) should be presented in the income statement.

Financial liabilities at amortised cost

Financial liabilities are classified as measured at amortised cost using the effective interest method and comprise of trade and other payables.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, business call, current account and development funds call account. cash and cash equivalents are initially recorded at fair value and subsequently recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

3.11 Trade receivables

Classification

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

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 BURS's business model is to collect the contractual cashflows on trade and other receivables.

Recognition and measurement

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

The amortised cost is the amount recognised on the receivables 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.

BURS trade receivables are internal, thus no loss allowance for expected credit losses are made.

3.12 Trade and other payables

Classification and recognition

Trade and other payables, excluding, amounts received in advance, are classified as financial liabilities and recognised at cost. Subsequently financial liabilities are recognised at amortised cost.

Recognition and Measurement

Trade and other payables are recognised when BURS becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. Trade and other payables are subsequently measured at amortised cost using the effective interest method. 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.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Provisions

A provision is recognised if BURS has a present obligation in which it is probable that there will be payment which can be measured reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

3.14 Leases

BURS 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 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 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 BURS 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.

BURS as lessee

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

BURS applies a practical expedient which allows entities to account for a lease contract which contains both lease and non-lease components as a single lease contract.

Details of leasing arrangements where BURS is a lessee are presented in note 23.

The current lease payments included in the measurement of the lease liability comprise the fixed lease payments and not subject to any variable rents.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Leases (continued)

Lease liability
The lease liability is presented as a separate line item in 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.

BURS remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	discounting the revised lease payments using the initial discount rate unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used;
Change in expected payment under a residual value guarantee.	discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	discounting the revised payments using a revised discount rate.

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.

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

The right-of-use assets are measured at the amount equal to the lease liability, adjusted for any prepaid or accrued lease payments. Rent security deposits are recognised as financial assets in accordance with IFRS 9 Financial Instruments.

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 BURS incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of useful life of an assets and lease term on a straight-line method.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Leases (continued)

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.

BURS as a lessor

The BURS provides accommodation to its employees and they sign a contract for monthly rentals to be deducted from payroll. These are accounted for as rental income from institutional houses.

The BURS provides accommodation as well as space in border posts to other government and private entities through memorandum of agreements. The amount paid is accounted for as rental income.

Rental income is strained lined over the lease period.

The houses are the BURS property hence maintained in the asset register and depreciated according to policy.

4 CRITICAL JUDGEMENT AREAS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual estimates can differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determining incremental borrowing rate

BURS determines the incremental borrowing rate which is used in discounting future lease payments when determining lease liability by considering its financing model. BURS is fully funded by the Governmental of Botswana. In the event that it wishes to acquire or build its own office buildings, the acquisition or construction of such buildings will be financed through government grants. As such, BURS uses an incremental borrowing rate at which government would borrow, using government bonds, when determining lease liability.

Residual value and useful life of property, plant and equipment

BURS follows the guidance of IAS16 and determines the residual values and useful lives of property, plant and equipment at eachstatement of financial position date. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the statement of financial position date and the practice adopted by similar companies in the industry.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

5 FINANCIAL RISK MANAGEMENT

BURS is exposed to certain financial risks. Financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on BURS's financial performance.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. BURS operations utilise various foreign currencies and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. However, at year-end there were no significant foreign currency exposures.

Interest rate risk

Financial instruments that are sensitive to interest rate risk are bank balances and cash. Interest rates earned on financial instruments compares favourably with those currently available in the market.

A 1% increase in interest rates would result in an increase for the year of P2,094,240 (2022: P1,325,685). There is no fair value risk associated with interest rates, the risk is only associated with income earned.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. BURS is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments as follows:

i Cash and cash equivalents - all deposits and cash balances are placed with reputable financial institutions.
ii Staff debts are recovered in terms of the applicable policy and procedures directly from the employees salary.
iii Trade receivable comprises of agency fees and other sundry income generated from BURS and are recovered quarterly through retention from revenue collected for respective agencies. There hasn't been any loss incurred for the year nor in previous years.
iv Other receivables comprises of software licences, staff membership subscriptions and are paid yearly in advance, these don't pose significant losses hence no provisions are made. Other advances are for construction companies and are secured through bonds they sign with their banks hence also there are no losses provided for.

	From 1 - 3 months 2023 P'000	2022 P'000
Cash and cash equivalents	209,424	132,567
Staff Debts	968	968
Trade Receivables	29,924	40,455
Other Receivables	21,024	20,308

There are no significant concentrations on credit risk as it is very minimal.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. BURS manages its liquidity risk to ensure it is able to meet expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash resources.

Since BURS is funded through a subvention from the Government, BURS does not regard there to be any significant liquidity risk. All of BURS liabilities are current and will be settled within three months of the year end with the exception of certain employee benefits which are linked with employment contracts.

Below are details of the BURS remaining contractual maturity for its financial liabilities. The information provided is based on the earliest date on which the BURS can be required to pay.

2023	Up to 1 year P'000	2 to 5years P'000
Trade and other payables	184,145	-
Right to use liability	3,425	5,257

2022	Up to 1 year P'000	2 to 5years P'000
Trade and other payables	184,157	-
Right to use liability	3,041	8,542

Capital risk management

There is no active capital risk management process in place primarily because BURS was established under the Botswana Unified Revenue Service Act, 2003. Under this Act, the Government of Botswana provides grants for both capital and operational expenditure based on detailed budgets submitted by the Board of Directors.

The capital of BURS comprises of the properties revaluation reserve, and accumulated funds as disclosed in the statement of changes in reserves.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 . FINANCIAL RISK MANAGEMENT (CONTINUED)

	2023 P'000	2022 P'000
Categories of financial instruments		
Financial assets at amortised cost		
Trade and other receivables	69,935	42,657
Cash and Cash equivalent	209,424	132,567
Financial liabilities at amortised		
Trade and other liabilities	101,580	61,465
Lease liability	9,082	11,583

6. GOVERNMENT FUNDING FOR RECURRENT EXPENDITURE

Funding for recurrent expenditure	849,954	695,679
Transfer from development expenditure (Note 19)	29,898	31,050
	879,852	726,729

7. REVENUE FROM CONTRACT WITH CUSTOMERS

Agency fees	112,976	84,574

Disaggregation of revenue

BURS derives some of its revenue from the transfer of services over time and at a point in time in the following service lines. In the following table, revenue is disaggregated by service lines and timing of revenue recognition.

2023

Revenue	Service transferred overtime	Service transferred at point in time	Total
Agency fees and commissions		112,976	112,976

2022

Revenue	Service transferred overtime	Service transferred at point in time	Total
Agency fees and commissions		84,574	84,574

Agency commissions represent fees charged by BURS for collecting revenues on behalf of the following respective Government Departments and Parastatals:

i. Road safety and permit fees (Ministry of Transport and Communications - Department of Road Transport and Safety)
ii. Flour levy and Alcohol levy (Ministry of Investment, Trade and Industry - Department of Trade and Consumer Affairs)
iii. Motor vehicle road insurance (Motor Vehicle Accident Fund)
iv. Training levy (Human Resource Development Council)
v. Copyright levy (Ministry of Investment, Trade and Industry - Registrar of Companies)

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

8 OTHER INCOME

	2023 P'000	2022 P'000
Amortisation of capital grants (Note 18)	89,930	76,427
Impairment of grants	4,326	-
Rental income	2,381	1,755
Profit on disposal of property, plant and equipment	-	50
Sundry income	8,306	7,115
	104,943	85,347

Sundry income represent income from other sources such as interest, commissions, tenders as well as administrative charges.

Rental Income
BURS has housing facilities at borders hence provide accommodation to its employees as well as other Government departments such as Botswana Police, Botswana Defence Force at an agreed fee.

9 ADMINISTRATIVE EXPENSES

	2023 P'000	2022 P'000
Auditor's remuneration - current year	1,792	1,832
Computer support	43,690	48,518
Recurrent Expenditure	43,690	46,405
Development expenditure	-	2,113
Consultancy costs and legal costs	24,243	20,575
Impairment	7,162	-
Depreciation of property, plant and equipment (Note 13)	81,876	74,741
Depreciation - right of use asset	3,157	3,009
Amortisation of intangible assets (Note 14)	8,158	8,225
Electricity and water	17,944	17,227
Printing, stationery and office expenses	70,413	63,014
Operating lease rentals	889	817
Repairs and maintenance	19,732	19,132
Motor vehicle fuel	9,323	5,300
Seminars, workshops, travelling and other administrative expenses	50,097	29,697
Telephone and postage	15,369	16,290
Training expenses	5,549	4,432
	359,394	312,809

Operating lease rentals comprise of rent and rates. BURS has been paying rentals for occupying space where assessments of customs duty is performed; such as airports and post office hence the expense. These were short-term leases.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

10 REVALUATION LOSSES

	2023 P'000	2022 P'000
	-	-

11 STAFF COSTS

	2023 P'000	2022 P'000
Salaries and wages	580,068	527,461
Employee benefits:	109,648	71,193
Performance Bonus	43,722	-
Gratuity and severance	5,782	5,200
Pension contribution	53,596	50,358
Leave	6,548	15,635
Medical aid contribution	13,409	12,387
	703,125	611,041

12 FINANCE INCOME/COST

Finance Income		
Bank interest	1,849	776
Finance cost		
Interest on lease liabilities	439	535

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land P'000	Buildings P'000	Leasehold Improvement P'000	Motor vehicles P'000	Office furniture P'000	Computers & office equipment P'000	Plant & machinery P'000	Porta camps P'000	Work-in-progress P'000	Security dogs P'000	Total P'000
Cost											
At 31 March 2022	51,768	1,147,818	14,083	70,264	80,705	188,781	180,580	44,434	298,654	232	2,077,319
Additions	-	1,371	474	-	3,915	6,058	314	224	175,177	-	187,533
Disposals	-	-	-	(696)	(12)	-	-	-	-	-	(708)
Impairment	-	(3,837)	-	-	-	(128)	-	-	(3,222)	(29)	(7,216)
Adjustments	-	-	(77)	-		-	-	-	(276)	-	(353)
Transfers	-	(40,318)	-	-		-	92,102	-	(51,784)	-	-
Transfers to assets held for sale	-	-	-	(83)		-	-	-	-	-	(83)
At 31 March 2023	51,768	1,105,034	- 14,480	69,485	84,608	194,711	272,996	44,658	418,549	203	2,256,492
Accumulated depreciation											
At 31 March 2022	2,446	109,127	-11,385	29,380	29,064	117,670	54,371	17,264	-	142	370,849
Current year charge	188	27,243	253	5,383	7,548	28,210	10,063	2,964	-	24	81,876
Disposals	-	-	-	(256)	(10)	-	-	-	-	-	(266)
Adjustments	-	-	-	-	-	(39)	-	-	-	(17)	(56)
At 31 March 2023	2,634	27,243	253	5,127	7,538	28,171	10,063	2,964	-	7	452,403
Carrying amount											
At 31 March 2023	49,134	1,077,791	14,227	64,358	77,070	166,540	262,933	41,694	418,549	196	1,804,089

Work-in-progress is made up of the following:

Residential and office accommodation	418,549

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold Land P'000	Buildings P'000	Leasehold Improvement P'000	Motor vehicles P'000	Office furniture P'000	Computers & office equipment P'000	Plant & machinery P'000	Porta camps P'000	Work-in-progress P'000	Security dogs P'000	Total P'000
At 30 April 2020 (restated note 13-14)											
Cost	44,308	1,090,771	13,435	60,131	78,351	180,808	152,216	38,133	201,753	232	1,860,138
Accumulated depreciation	2,113	85,050	11,233	26,198	21,942	89,765	46,930	14,141	-	114	297,486
Carrying amount	**42,195**	**1,005,721**	**2,202**	**33,933**	**56,409**	**91,043**	**105,286**	**23,992**	**201,753**	**118**	**1,562,652**
Cost											
At 31 March 2021 restated	44,308	1,090,771	13,435	60,131	78,351	180,808	152,216	38,133	201,753	232	1,860,138
Additions	7,193	12,481	763	11,473	2,917	7,956	1,483	6,301	169,118	-	219,685
Non cash additions	267	-	-	-	-	196	-	-	-	-	463
Disposals	-	-	(115)	-	(563)	(179)	-	-	-	-	(857)
Adjustments	-	-	-		-	-	(196)	-	-	-	(196)
Transfers	-	44,566	-	-	-	-	27,651	-	(72,217)	-	-
Transfers to assets held for sale	-	-	-		(1,340)	-	(574)	-	-	-	(1,914)
At 31 March 2022	51,768	1,147,818	14,083	70,264	80,705	188,781	180,580	44,434	298,654	232	2,077,319
Accumulated depreciation											
At 31 March 2021	2,113	85,050	11,233	26,198	21,942	89,765	46,930	14,141	-	114	297,486
Current year charge	333	24,077	249	3,182	7,600	27,957	7,441	3,123	-	28	73,990
Disposals	-	-	(97)	-	(478)	(52)	-	-	-	-	(627)
At 31 March 2022	2,446	109,127	11,385	29,380	29,064	117,670	54,371	17,264	-	142	370,849
Carrying amount											
At 31 March 2022	49,322	1,038,691	2,698	40,884	51,641	71,111	126,209	27,170	298,654	90	1,706,470

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings carried at cost - Change in accounting policy

In previous financial periods, BURS accounted for its Land and buildings on the revaluation model, in accordance with which the carry value of immovable property was remeasured to fair value at each financial year-end. This policy was changed during the current financial year to account for such immovable properties at depreciated cost. This change aligns the measurement basis followed by BURS with the cost basis of accounting under International Public Sector Accounting Standards (IPSAS), which is the accounting basis to be adopted by the Government of Botswana in the consolidation of all state-owned entities and parastatals with effect from its 2024 financial year.

Accordingly, this voluntary change in policy aligns the BURS financial statements with that of its parent ministry (the Ministry of Finance and Economic Development), providing information which is more relevant to and useful for the user.

The restatement resulting from this change in policy has been guided by International Accounting Standard 8 'Accounting Policies, changes in Accounting Estimates and Errors' and has been effected through retrospective restatement. Details of the restatement are provided below:

Statement of financial reporting extract	As at 31 March 2022 Previously Reported P'000	Increase / Decrease P'000	As at 31 March 2022 Restated P'000	As at 31 March 2021 Previously Reported P'000	Increase/ Decrease P'000	As at 31 March 2021 Restated P'000
Property, plant and equipment - carrying value	1,605,398	101,072	1,706,470	1,472,952	89,700	1,562,652
Revaluation Surplus	210,343	(210,343)	-	203,442	(203,442)	-
Retained Earnings	(364,718)	298,229	(66,489)	(320,790)	280,767	(40,023)
Capital grants	1,925,347	12,375	1,937,722	1,760,852	12,375	1,773,227
Movement	1,770,972	100,261	1,871,233	1,643,504	89,700	1,733,204

Statement of Comprehensive Income

Depreciation expense	78,243	493	77,750
Reversal of fair value losses	16,982	16,982	-
Total deficit for the year	(43,941)	17,475	(26,466)
Other comprehensive (loss) /income for the year	-	-	-
Total comprehensive loss for the period	(43,941)	17,475	(26,466)

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings carried at cost - Change in accounting policy (continued)

Reserves	As at 31 March 2022 P'000	As at 31 March 2021 P'000
Property revaluation reserve	210,343	203,442
Derecognition of valuation gains and losses - Assets	(115,360)	(119,699)
Derecognition of valuations - Accumulated depreciation	(94,983)	(83,743)
Reserve restated	-	-
Retained earnings as previously stated	(364,718)	(320,790)
Change in accounting policy	298,229	280,767
Derecognition of valuation gains and losses - Assets	328,005	296,562
Derecognition of valuation gains and losses - Reserve	94,983	83,743
Land and building accumulated depreciation	(112,384)	(87,163)
Adjustment - capital grants	(12,375)	(12,375)
Reserve restated	(66,489)	(40,023)
Property, Plant and Equipment		
Land		
Fair value of land	93,030	91,703
Derecognition of valuation gains and losses	(41,262)	(47,395)
Cost of Property land restated	51,768	44,308
Accumulated Depreciation restated	(2,446)	(2,113)
	49,322	42,195
Buildings		
Fair value of land	893,911	866,513
Derecognition of valuation gains and losses	253,907	224,258
Cost of building restated	1,147,818	1,090,771
Accumulated Depreciation restated	(109,127)	(85,050)
	1,038,691	1,005,721

This change in policy has had no impact on the cashflows as previously presented in the statement of cash flows.

	2023 P'000	2022 P'000
Assets Held for Sale	1,997	1,914

Assets held for sale comprises of boarded vehicle awaiting disposal. There were no impairment losses as their fair values are more than the book values.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 INTANGIBLE ASSETS

	Computer software P'000	Work-in-progress P'000	Total P'000
Cost			
At 31 March 2021	208,577	13,469	222,046
Additions- current Year	2,039	4,367	6,406
Transfers	6,362	(6,362)	-
Adjustments for non-capital expenditure			
- Computer Maintenance (Note 9)	-	(2,113)	(2,113)
At 31 March 2022	216,978	9,361	226,339
Additions- current Year	192	-	192
At 31 March 2023	217,170	9,361	226,531
Accumulated amortisation			
At 31 March 2021	68,114	-	68,114
charge for the year	8,225	-	8,225
At 31 March 2022	76,339	-	76,339
charge for the year	8,158	-	8,158
At 31 March 2023	84,497	-	84,497
Carrying amount at 31 March 2022	140,639	9,361	150,000
Carrying amount at 31 March 2023	132,673	9,361	142,034

Intangible assets consists of Computer software (the Human Resources SAP module, e-Filing, e-Payment, Withholding Tax ("WHT"), Customs Management System ("CMS"), Lekgetho live and the Auto Capturing Scanner) which is a purchased asset. Amortisation is calculated using the straight-line method to allocate their cost net of their residual values, over their estimated useful lives. Work-in-progress consists of the IP Based cabling project. There are no intangible assets that have been pledged as security.

Work in progress is not depreciated until the asset is complete and ready for use.

15 INVENTORIES

	2023 P'000	2022 P'000
Printing and stationery	2,058	3,172
Office supplies	1,048	243
	3,106	3,415
Inventories written off	-	1

Inventories represent unconsumed supplies held in store at year-end to be consumed in the rendering of services, pending issuance to different cost-centres. Inventories are stated at cost on a First-in-First-out basis.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 TRADE AND OTHER RECEIVABLES

	2023 P'000	2022 P'000
Trade Receivables	63,137	40,455
Provision for doubtful debts	3,689	-
Prepayments	18,023	20,309
Staff receivables	1,721	988
Other receivables	1,388	1,214
	87,958	62,966
Trade receivables comprise of:		
Agency fees	63,137	40,455
	63,137	40,455

17 CASH AND EQUIVALENTS

Cash in hand	32	35
Business call and current account	40,005	18,575
Development funds call account	169,387	113,957
	209,424	132,567

18 PROPERTIES REVALUATION RESERVE

Revaluation gains		
Balance at beginning of the year - as previously stated	-	203,442
Restatement - Note 13	-	(203,442)
Revaluation losses reversed	-	(94,983)
Gain/(loss) on revaluations of properties (Note 13)	-	(115,360)
Balance at end of the year - Restated	-	-

Nature and purpose of revaluation reserve

The property, plant and equipment revaluation surplus was used to record increments and decrements on the revaluation of non-current assets. The reserve was derecognised on change of accounting policy as set out in Note 13.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

19 CAPITAL GRANTS

		2023 P'000	2022 P'000	2021 P'000
Balance at beginning of the year		1,937,722	1,773,227	1,735,510
Net development funding received from the Government of Botswana		234,605	240,688	106,281
- Transfer to recurrent expenditure (Note 6)		(29,898)	(31,050)	(8,719)
- Government funding for development expenditure (Note 21)		264,503	271,738	115,000
Non cash grants		-	463	2,828
Grants impairment		(4,326)	-	-
Gains on release of capital grants		(441)	(229)	(2,030)
Amortisation of capital grants for the year (Note 8)		(89,930)	(76,427)	(81,737)
Adjustments to capital grants	13	-	12,375	
Balance at end of the year		2,077,630	1,937,722	1,773,227

Capital grants- Capital grant is made up of funds received from the Government of the Republic of Botswana to fund residence and office accommodation projects. The grants are amortised over the useful lives of the respective assets acquired to match with the depreciation costs for the constructed assets.

20 TRADE AND OTHER PAYABLES

	7,138	8,999
Trade payables	7,138	8,999
Accruals and other payables	94,442	52,466
Related party payables (Note 21)	1,473	29,656
Employee Benefit accruals	96,695	93,030
Rental accruals	-	6
	199,748	**184,157**

Accruals and payables include fixed asset creditors, provision for audit fees, unpaid payroll deductions, outstanding bank charges as well as unpaid insurance benefits.

Employee benefits accruals include provisions for leave pay, gratuity as well as for severance pay.

The fair value of payables is approximately equal to the carrying amount due to the short-term maturity nature.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 MARCH 2023

21 RELATED PARTY TRANSACTIONS

The Botswana Government owns 100% of BURS
Related parties transactions comprise the following:
The Ministry of Finance has, through the Notice of Funds of the Revenue Service Order, 2012, Section 26 (1) (d) of the Botswana Unified Revenue Service Act, authorised the Revenue Service to retain 2 percent (2%) of the revenue collected per annum to fund the recurrent budget with the minimum being set and 1 percent (1%) of the total revenue collected be used for the development budget. The Revenue Service has with effect from 1 April 2013 implemented such notice. The amount transferred to BURS Own accounts from Revenue accounts during the financial year ended 31 March 2022 is as follows:

	2023 P'000	2022 P'000
Amount transferred from Revenue Accounts to Own Accounts	1,114,457	967,417
Utilised as follows:		
Recurrent expenditure (Note 6)	879,852	726,729
Development expenditure (Note 19)	234,605	240,688
	1,114,457	967,417
Net Bank charges payable to revenue accounts	1,473	29,656

Key Management personnel comprise of the BURS executive management and board of directors

Executive management personnel compensation

Executive management

Salaries and other short term employee benefits	18,659	13,156
Post employment benefits	3,356	2,168
Total executive management personnel compensation	22,015	15,324

Executive Management personnel compensation covers personal emoluments and post employment benefits. Post employment benefits include pensionand gratuities.

Board members sitting allowances	447	333

Transactions with the Board members represent sitting allowances paid to the members for attending meetings of the Board and Board sub-committees.

Government departments
BURS' related parties include Government departments for which BURS collects levies on the departments' behalf and earns agency fees and commissions in return. The commission rate is negotiated between the parties, minimum being 5%. The following business transactions were conducted with related parties:

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

21 RELATED PARTY TRANSACTIONS (CONTINUED)

	2023 P'000	2022 P'000
Agency fees and commissions:		
Ministry of Investment, Trade and Industry (alcohol levy, flour levy and copyright levy)	42,202	35,717
Ministry of Health 9 Covid 19 levy)	3,689	-
Ministry of Transport and Communications - Department of Road Transport and Safety (roadsafety tokens and permits)	43,735	25,927
Human Resource Development Council (training levy)	21,404	22,513
Motor Vehicle Accident Fund (motor vehicle road insurance)	1,946	494
	112,976	84,651
Income - Revenue accounts	6,533	5,954

The receivables balance are in accordance with terms and conditions in the memorandum of agreement.

Balances receivable from/(payable to) related parties		
Agency fees receivable from Department of Road Transport and Safety	11,057	8,177
Commissions and other receivables from Revenue Accounts	52,080	32,278
Total receivable from related parties	63,137	40,455
Net bank charges payable to Revenue Accounts (Note 20)	(1,473)	(29,656)
Net due from related parties	61,664	10,799

Bank charges are paid as and when there is a request for payment.

Bank Charges Revenue	31,967	28,427

22 ADJUSTMENT FOR NON-CASH ITEMS

(Profit) / loss on disposal of property, plant and equipment (Note 8)	55	(50)
Amounts transferred from advance payments (Note 16)	-	-
Depreciation of property, plant and equipment (Note 13)	81,876	74,741
Depreciation- Right to use asset	3,157	3,009
Impairment	7,162	
Adjustments for non-capital expenditure (Note 13, 14)	353	2,355
Amortisation of intangible assets (Note 14)	8,158	8,225
Impairment of grants	(4,326)	-
lease finance costs	439	535
Gains on release of capital grants	(441)	(229)
Amortisation of grants (Note 20)	(89,930)	(76,427)
	6,503	12,159

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

23 RIGHT OF USE ASSETS

	2023 P'000	2022 P'000
Opening cost	17,139	16,017
Current year additions	730	1,122
Cost as at year end	17,869	17,139
Opening Accumulated Depreciation	6,687	3,678
Current year charge	3,157	3,009
Closing Accumulated Depreciation	9,844	6,687
Opening Carrying amount	10,452	12,339
Closing carrying amount	8,025	10,452
Depreciation charge of right-of-use assets		
Buildings	3,157	3,009
Interest on finance leases	439	535
Lease Liability		
Opening balance	11,583	12,970
Interest on finance leases	439	535
Interest on finance leases paid	(439)	(535)
Amount paid	(3,233)	(2,508)
Additions	732	-
Closing balance	9,082	11,583

At the end of the year, BURS had outstanding commitments for future minimum lease payments under non-cancellable leases , which fall due as detailed below:

Current	3,652	3,041
Non-current	5,430	8,542
	9,082	**11,583**

Expenses relating to short term leases included in administrative expenses were	889	817

Total outflow for leases in 2023 was P4,561million (2022 - P 3,860million)

The carrying value of the lease liability approximate fair value due to short term maturity of the liability

Right of use assets relate to properties with lease terms between 2 and 5 years with an average yearly rental escalation of 10%. BURS does not have an option to purchase the properties at the expiry of the lease periods. The right of use asset consists of buildings only.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2023

24 CONTINGENT LIABILITIES

	2023 P'000	2022 P'000
The BURS had court cases which the legal experts evaluated and concluded that management has to make provision as the BURS has a potential loss in the future.		
William Lee and Another	10,348	
ASA Enterprises Proprietary Limited	4,357	
	14,705	

The amount is included in trade payable and other payables under other provisions

25 CAPITAL COMMITMENTS

Commitments for the acquisition of property, plant and equipment	420,000	122,000
Capital expenditure approved at the statement of financial position date but not recognised inthe financial statements is as follows:		
Approved and contracted for	100,000	102,000
Approved but not yet contracted for	320,000	20,000

The commitments are expected to be financed from internally generated funds and funding from the Government of the Republic of Botswana.

26 EVENTS AFTER THE REPORTING PERIOD

Management evaluated events and circumstances that arose since the reporting date to the date of authorisation of the financial statements. The matters were evaluated for whether they require an adjustment to the amounts recognised in the financial statements or disclosure in line with guidance in IAS 10 "Events after the reporting date", there were no such events.

27 GOING CONCERN ASSESSMENT

The BURS management have assessed going concern status and the Management is confident that the BURS will continue its operations in the foreseeable future. The Ministry of Finance provided a letter committing to funding and supporting BURS to execute its mandate.

28 STATUTORY COMPLIANCE

For the year ended 31 March 2023, BURS has complied with the following paragraphs of the Botswana Unified Revenue Service Act:

- Paragraph 28 (2) which requires the Revenue Service to submit its books of accounts and statement of accounts to an auditor appointed by the Board within 60 days of the year-end and requires that the accounts be audited no later than 3 months after the year-end; and
- Paragraph 29 (1) which requires the Revenue Service to submit, to the Minister, a comprehensive report on the operations of the Revenue Service during that financial year, within 6 months of the end of that year.

NOTES