

*Statutory Instrument No. 106 of 2022*

**PUBLIC FINANCE MANAGEMENT ACT**  
(Cap. 54:01)

**PUBLIC FINANCE MANAGEMENT (LOCAL AUTHORITIES  
SELF INSURANCE FUND) ORDER, 2022**  
(Published on 9th September, 2022)

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**PARAGRAPH**

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IN EXERCISE of the powers conferred on the Minister of Finance by section 38 (1) of the Public Finance Management Act, the following Order is hereby made —

1. This Order may be cited as the Public Finance Management (Local Authorities Self Insurance Fund) Order, 2022. Citation

2. In this Order, unless the context otherwise requires — Interpretation

“Accounting Officer” means the Permanent Secretary in the Ministry responsible for local government appointed as such under paragraph 5 (1);

“Committee” means the Management Committee established under paragraph 6 (1);

“Fund” means the Local Authorities Self Insurance Fund continued under paragraph 3; and

“local authority” means a city council, a township authority, a district council, a subdistrict council or an administrative authority.

3. The Local Authorities Self Insurance Fund established by section 38 (1) of the Act, is hereby continued under a Special Fund known as the Public Finance Management (Local Authorities Self Insurance Fund) Order and shall continue to exist as if established by this Order. Continuation of Fund established under S.I. No. 55 of 1991

4. The purpose of the Fund is to provide for a scheme of appropriate insurance cover for a local authority in Botswana including an element of self insurance. Purpose of Fund

5. (1) The Permanent Secretary in the Ministry responsible for local government shall be the Accounting Officer and he or she shall be responsible for the administration of the Fund in accordance with the provisions of this Order. Administration of Fund

	<p>(2) The Accounting Officer may exercise such powers and perform such duties as may be required to be exercised or performed for the proper discharge of his or her functions under this Order.</p> <p>(3) The Accounting Officer may, in writing, appoint any person registered as an insurer or a broker in terms of the Insurance Industry Act to exercise or perform the duties and functions required to be exercised or performed by the insurer or a broker under this Order.</p>
Cap. 46:01	
Management of Fund	<p><b>6.</b> (1) The Minister responsible for local government shall after consultation with the Accounting Officer establish a Management Committee for the Fund.</p> <p>(2) The Committee shall be responsible for determining the investment strategies and disbursement procedures of the Fund in accordance with the Act.</p> <p>(3) Without derogating from the generality of subparagraph (2), the Committee shall —</p> <p>(a) review and approve expenditure requirements and audited financial statements of the Fund; and</p> <p>(b) make recommendations to the Minister responsible for local government on any amendments to the Order for subsequent approval by the Minister.</p> <p>(4) The Committee shall consist of —</p> <p>(a) the Deputy Permanent Secretary in the Ministry responsible for local government, who shall be the Chairperson of the Committee;</p> <p>(b) a representative at Council Secretary or a Town Clerk level from a local authority, who shall be a Vice Chairperson;</p> <p>(c) a representative at Director level from the Ministry responsible for finance; and</p> <p>(d) two representatives at Director level, one from the private sector and one from the public sector holding the qualification and experience that the Accounting Officer considers appropriate and relevant for the carrying out of the purposes of the Fund.</p> <p>(5) The Department responsible for Finance and Procurement Services shall provide secretarial services to the Committee.</p> <p>(6) A member of the Committee shall be appointed for a period of three years and shall be eligible for re-appointment for a further term not exceeding three years.</p>
Receipts into Fund	<p><b>7.</b> There shall be paid into the Fund —</p> <p>(a) such money as may from time to time be appropriated by the National Assembly;</p> <p>(b) the proceeds from salvage arising from claims;</p> <p>(c) the interest accrued from the investment of money of the Fund in accordance with paragraph 10; and</p> <p>(d) recovery from third party claims for motor vehicles or property belonging to a local authority.</p>
Disbursements from Fund	<p><b>8.</b> There shall be paid from the Fund —</p> <p>(a) premiums for commercial insurance of catastrophic risk;</p> <p>(b) the claims made under the self insurance scheme; and</p> <p>(c) administrative costs related to the management and auditing of the Fund.</p>
Surplus in Fund	<p><b>9.</b> If the Fund is in surplus at the end of a financial year, such surplus shall remain as part of Fund balance and shall be carried forward to the next financial year.</p>
Investment of Fund monies	<p><b>10.</b> Any money accruing to the Fund which is not required for immediate use shall be invested in Botswana in accordance with the purpose of the Fund as the Accountant-General may direct and interest from such investment shall accrue to the Fund.</p>

**11. The Accounting Officer shall —**

- (a) keep and maintain, or cause to be kept and maintained, proper books of accounts and records of all financial transactions, assets and liabilities of the Fund in respect of each financial year;
- (b) maintain an account into which all receipts into the Fund and all disbursements from the Fund shall be recorded and the monthly reconciliation for the Fund accounts shall be carried out; and
- (c) prepare, sign and transmit to the Accountant-General and Auditor-General a statement of income and expenditure and a balance sheet of the Fund in respect of the financial year, containing such information in the manner that the Minister, in consultation with the Accountant-General may direct, within a period of two months after the close of each financial year.

Accounts of  
Fund

**12. The Local Authorities Self Insurance Fund Order is hereby revoked.**

Revocation of  
S.I. No. 55 of  
1991

MADE this 25th day of August, 2022.

**PEGGY O. SERAME,**  
*Minister of Finance.*