OUBAS EPISODE 6

THE R20 MILLION MYSTERY

THE PRIMARY PURPOSE OF A BANK STATEMENT IS TO SHOW THE HOLDER OF THE BANK ACCONT CREDITS, DEBITS AND BALANCES AND TO BE USED TO TRACE THE MOVEMENT OF MONEY IN A BANK ACCOUNT. WHAT HAPPENED ON 01 NOVEMBER 2015 TO 02 NOVEMBER 2015? IS THIS HOW A BANK STATEMENT WORKS / OPERATES? THE COURTS DID NOT FIND ANYTHING WRONG WITH SUCH A BANK STATEMENT. WHERE DID THE MONEY GO? CAN ANYBODY TELL FROM THIS BANK STATEMENT? DEFINITELY NOT TRACEABLE. WHAT IS THIS? CAN ANYBODY EXPLAIN IT IN SIMPLE TERMS? CAN THE COURTS EXPLAIN IT SEEING THAT THEY ACCEPTED THIS BANK STATEMENT? NO ANSWER HAS EVER BEEN GIVEN BY THE COURTS. THE ONLY ANSWWER WAS FROM THE GROUP CEO'S OFFICE THAT FRIRSTRAND BANK LIMITED DID NOT HAVE BANK ACCOUNTS FOR PEG HR SOLUTIONS PTY LTD AND FRIEDSHELF 1287 (RF) PTY LTD. THEN THE QUESTION IS HOW DID THEY ARRIVE AT THE CERTIFICATE OF BALANCE WITHOUT ANY RECORDS? ARE YOU ABLE TO ANSWER THIS QUESTION?

Understanding Balance Movements, Financial Investigation and the Importance of Verification

Estimated Reading Time: 6–7 minutes

Introduction

Imagine reviewing a financial record.

The opening balance appears straightforward.

The closing balance also appears straightforward.

But between those two balances something significant has happened.

The balance has changed by **R20 million**.

Your immediate reaction might be to ask:

"Where did the R20 million come from?"

That is the right question.

The wrong response is to immediately assume either innocence or wrongdoing.

Financial literacy begins with investigation—not speculation.

This episode explores how large balance movements should be approached and why evidence matters more than assumptions.

Understanding Balance Movements

Every significant movement in a financial account should normally be capable of being explained by the underlying records.

Large balance changes may result from many different causes, including:

- payments;
- transfers;
- investments;
- settlements;
- accounting adjustments;
- corrections;
- other legitimate financial transactions.

The important question is not whether a balance has changed.

The important question is:

Can the movement be understood from the available records?

The Case Study

This episode introduces the **R20 Million Mystery**.

Imagine that you are reviewing an account.

You observe:

- the opening balance;
- the closing balance;
- a difference of **R20 million**.

You examine the available records.

You immediately see the opening balance.

You immediately see the closing balance.

But you do not immediately see the transaction explaining the movement.

What should you do?

OUBAS suggests a disciplined approach:

- ask questions;
- request supporting records;
- compare explanations with documentary evidence;
- avoid jumping to conclusions before completing the investigation.

Why This Matters

Financial investigations occur every day.

Banks.

Businesses.

Auditors.

Accountants.

Trustees.

Regulators.

Private individuals.

All rely on records to understand financial activity.

The ability to trace significant movements is therefore an important financial and professional skill.

OUBAS Analysis

OUBAS believes that good financial investigations begin with curiosity and end with evidence.

Large movements in financial records should encourage informed enquiry—not immediate conclusions.

Responsible investigation requires patience, careful analysis and a willingness to follow the documentary trail wherever it leads.

Verification protects everyone.

It protects institutions.

It protects customers.

It protects professionals.

Most importantly, it promotes confidence in financial systems.

OUBAS Reform Proposal

OUBAS encourages:

- stronger financial investigation skills;
- better financial record management;
- clearer explanations of significant balance movements;
- improved public financial literacy;
- continuous improvement in financial reporting and accountability.

Transparency strengthens trust.

Key Lessons

After reading this episode you should understand that:

- significant balance movements deserve careful examination;
- questions should be answered through evidence;
- supporting records are essential;
- investigation requires discipline rather than speculation;
- financial literacy begins with verification.

OUBAS Knowledge Check

1. What is the first step when you observe an unusually large balance movement?

☐ Ask informed questions.

☐ Assume fraud.

☐ Ignore it.

☐ Close the account.

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2. What should normally explain a significant balance movement?

☐ Supporting financial records.

☐ Rumours.

☐ Assumptions.

☐ Opinions.

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3. According to OUBAS, good investigations begin with:

☐ Curiosity and evidence.

☐ Suspicion alone.

☐ Guesswork.

☐ Emotion.

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4. Which professionals commonly investigate financial records?

☐ Auditors.

☐ Accountants.

☐ Trustees.

☐ All of the above.

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5. What is one of the central messages of this episode?

☐ Verify before reaching conclusions.

☐ Large balances are always suspicious.

☐ Records are unnecessary.

☐ Questions should be avoided.

OUBAS Public Sentiment Survey

Help OUBAS understand public experiences.

1. Before reading this episode, would you have known how to investigate a large unexplained balance movement?

○ Yes

○ No

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2. Have you ever encountered a financial transaction that you could not immediately explain?

○ Yes

○ No

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3. Which should be the first response to an unusual financial movement?

□ Request supporting records

□ Ask questions

□ Compare the evidence

□ All of the above

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4. How important is financial investigation training?

○ Extremely Important

○ Important

○ Neutral

○ Less Important

○ Not Important

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5. What financial investigation topic would you most like OUBAS to explain next?

💡 **OUBAS Innovation Challenge**

Imagine you are designing the **ideal financial investigation system**.

What one innovation would make it easier to trace significant balance movements from the opening balance to the final destination of every transaction?

Share your proposal with OUBAS.

Outstanding ideas may be developed into future **OUBAS Reform Papers** and explored by the AAP professional community.

Share Your Experience

Have you ever discovered a financial movement that required further investigation?

How did you resolve the question?

What advice would you give someone facing a similar situation?

Your experience contributes to the **OUBAS People's Index** and helps improve financial literacy and investigative thinking.

Continue Your Learning

📚 Visit the **OUBAS Bookstore** for books covering banking, financial investigations, records management, accountability, governance and financial literacy.

Join AAP

Become part of the **Amalgamated African Professionals (AAP).**

Collaborate with accountants, engineers, lawyers, auditors, ICT specialists, business leaders and researchers across Africa.

Together we can transform knowledge into practical solutions.

Join AAP Today.

Follow OUBAS

Follow OUBAS for future educational episodes, books, research findings and public surveys.

Every contribution helps build the **OUBAS People's Index**, measuring public understanding, financial literacy and ideas for improving institutions.

Next Episode

Episode 7

The Missing Dividend

How are dividends declared?

How should they be recorded?

What documents help trace a dividend from declaration to payment?

Join us as we follow another financial trail.

OUBAS exists to educate, stimulate informed discussion and inspire practical solutions.

Knowledge grows when it is shared. Institutions improve when people participate.

The only constant in every successful institution should be innovation and continuous improvement.

Join the conversation. Join AAP. Help build a better Africa.