

Accountability

Relationship with Government

The National Reserve Bank of Tonga Act specifies the relationship between the Government and the Reserve Bank. It requires the Reserve Bank to provide advice and statistics when requested by the Minister of Finance, and to inform the Minister on economic developments that are relevant to the achievement of the Reserve Bank goals. The Reserve Bank undertakes the role of being the principal banker, fiscal agent and depository for the Government.

Over the financial year, regular discussions between the Chairman of the Reserve Bank Board, the Governor and the Minister served to keep the Minister informed, as did the provision of various reports. Among the reports provided were the Reserve Bank's weekly foreign reserves and liquidity report, monthly statement of assets and liabilities, six monthly monetary policy statements, the operations summary together with the audited annual accounts and the annual report for the 2013/2014 financial year.

Other forms of accountability

The Reserve Bank also seeks to ensure a high degree of public accountability for its decisions and processes, which necessitates a high degree of public transparency. The transparency in the 2015 financial year was achieved through regular public communication, in both written and verbal forms.

In written forms, the Reserve Bank published two Monetary Policy statements, which detailed the rationale behind its monetary policy decisions. The Reserve Bank also published its Annual Report for the financial year 2013/14, containing its audited financial statements, a summary of its operations, and a detailed assessment of the condition of Tonga's financial system. It disseminated quarterly economic statistics in its quarterly Bulletin publication and issued a monthly economic review. The Bank continued to keep the public informed on its assessment of the Tongan economy and increased the number of economic data flashes. All the Bank's publications are also posted on the Bank's website.

In verbal forms, the Governor made several public addresses over the 2015 financial year. During the year, the Governor presented to the Tonga Development Partners Meeting and the Chamber of Commerce on the Tongan economy. The Governor also presented an update on the Tongan economy at the bi-annual meeting of the Association of the Banks in Tonga (ABT) which comprises of the Governor and the General Managers of the banks in Tonga.

Also worth noting, this year the Reserve Bank responded to inquiries from the Standing Committee on Finance and Public Accounts and the Cabinet Economic and Development Committee, via verbal and formal presentations on banking and financial system issues. The demand for responses on inquiries from the Cabinet and parliamentary inquiries continued to increase. These demands were largely met with existing Reserve Bank resources.