

BANK OF UGANDA

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SUPERVISION



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04/01

Circular to all Supervised Financial Institutions

Submission of internal audit reports

The risk-based supervision methodology requires supervisors to develop and maintain an in-depth understanding of the risk profiles and operations of each Supervised Financial Institution (SFI). As part of this process and the supervisory review procedures, the Bank of Uganda currently reviews various board and senior management reports including internal audit reports at the pre-examination stage of each SFI that is examined.

However, Bank of Uganda has noted that a timely review of internal audit reports is critical in developing and maintaining a thorough understanding of emerging internal control weaknesses and risks in SFIs, identifying internal audit concerns and updating SFIs' institutional risk profiles. It is therefore imperative for the Bank of Uganda to obtain the internal audit reports in a timely manner.

In this regard, effective January 2010, each SFI will be required to submit to the Bank of Uganda a copy of the approved annual audit program, a copy of the report of each internal audit that is conducted and completed as well as each quarterly and any other special audit report that is submitted to the Board Audit Committee.

Please note that internal audit reports from commercial banks should be forwarded to the Director Commercial Banking, while reports from credit institutions and MDIs should be submitted to the Director Non-Banking Financial Institutions.

Handwritten signature of Benedict Ssekabira

Benedict Ssekabira

Ag. Executive Director Supervision

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