

Board Affairs Department

Preamble

- Bank of Uganda was established by an Act of Parliament in 1966
- Articles 161 & 162 of the 1995 Constitution established the mandate of Bank of Uganda to issue legal tender.
- They established Bank of Uganda as the Monetary Authority.

Establishment of BoU

- The Bank of Uganda is the Central Bank of Uganda and it is the only monetary authority allowed to issue the currency of Uganda.
- The authority of the Bank of Uganda is vested in a Board which consists of a Governor, Deputy Governor and not more than five other members.

Appointment of Board

- Appointed by the President with the approval of Parliament.
- Hold office for a term of five years but are eligible for re-appointment.
- The Offices of Governor and Deputy Governor are public offices and the Governor and Deputy Governor are respectively Chairperson and Deputy Chairpersons of the Board

Mission & Mandate

- Promotes and maintains stability of the value of the currency of Uganda.
- Regulates the currency system in the interest of the economic progress in Uganda;
- Regulates and promotes economic development, and the efficient utilization of the resources of Uganda through effective and efficient operation of a banking and credit system; and
- Do all such other things not inconsistent with this article, as may be prescribed by law
- In performing its functions, the Bank of Uganda shall conform to the Constitution but shall not be subject to the direction or control of any person or authority.
- Subject to the provisions of the Constitution, Parliament may make laws prescribing and regulating the functions of the Bank of Uganda

Functions

- Presently, the Bank of Uganda Act 1993 as amended in 2004 Act, provides that the functions of the Bank are to formulate and implement monetary policy directed to economic objectives of achieving and maintaining economic stability

Duties & Responsibilities

- Maintaining monetary stability.
- Maintenance of external assets reserves.
- Issuing currency notes and coins.
- Being the Banker of Government.
- Act as financial adviser to Government and manager of public debt.
- Advise Government on monetary policy issues.
- Where appropriate acts as agent in financial matters for the Government.
- Be the banker for financial institutions.
- Be the clearing house for financial instruments amongst financial institutions, insurance companies and pension fund institutions.
- Where appropriate, participate in the economic growth and development programmes.

Duties & Powers

The Bank of Uganda Act outlines the powers of the Board and states that the Board shall be responsible for:

- The general management of affairs of the Bank.
- Ensure the functioning of the Bank and implementation of its functions.
- Formulating and approving the policies of the Bank.
- Doing anything that is within or incidental to the functions of the Bank.
- In a nutshell the Board is responsible for establishing and determining the strategic policy of the institution.
- It is responsible for monitoring and controlling the general directions of the institution.
- This is done through periodic reviews of operations (monthly, quarterly, mid-term and annual.)

Board's working

- The Board conducts business through its various committees.
- The committees of the Board meet as regularly as business requires and then report to the full Board for ratification of the recommendations or decisions.
- The law requires that the Board must meet at least 10 times during the year.

Board Committees

Presently, the following are the Board Committees:

- Human Resource & Compensation Committee – (Staff related issues)
- Capital Projects Committee – (mostly capital & general maintenance issues)

- Finance Committee – (Finance performance of the Bank).
- Audit & Governance Committee – (Audit issues)
- Board of Trustees – Staff Retirement Benefits Scheme

Governor & Deputy Governor

- The Governor and Deputy Governor are Members of the Board.
- In the absence of the Governor, the Deputy Governor chairs the Board meetings.
- Governor is the CEO & Deputy Governor is the deputy CEO.

Role of Executive Directors

- Under Section 28 of the Bank of Uganda Act 1993, Functions and Departmental structures and all employees of the Bank are approved by the Board.
- The Executive Directors are charged with carrying out Executive and supervisory roles and functions in their respective Functions.
- The Executive Committee of the Bank meets regularly under the chairmanship of the Governor or Deputy Governor and eventually reports to the Board of Directors.
- The Executive Directors manage and supervise departments under their functions.
- In the absence of the Governor and Deputy Governor one of the Executive Directors is appointed to act as Deputy Governor