

Emmanuel Tumusiime-Mutebile: Bank of Uganda highlights its Board's achievements

Speech by Mr Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda, at the farewell dinner for board members, Kampala, 1 June 2012.

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Distinguished Board Members and your families,

The Deputy Governor,

Senior Management of the Bank,

Ladies and Gentlemen

On behalf of the management and staff of the Bank of Uganda, I wish to welcome you all to this occasion to bid farewell to our Board Members whose term of service comes to an end in June 2012. For the last five years, the Bank has been blessed with a formidable Board of Directors who has carried out its mandate of providing oversight of, and guidance to, the management of the Bank with integrity, intelligence, wisdom and an unwavering commitment to the public interest.

The vision and stewardship provided by the Board has enabled the Bank to strengthen the implementation of its core mandate of macroeconomic management and financial sector regulation and to implement many projects which have enhanced the capacity of the Bank to serve the people of Uganda. I would like to take a few minutes to highlight some of the Board's achievements.

Strategic planning and management

The Board approved the Bank of Uganda Strategic Plan for 2012–2017, which guides the long term policies and direction of the bank. It is based on the Balanced Scorecard approach which is at the cutting edge of international best practice.

Monetary policy

Under the Board's leadership, the Bank has modernised its monetary policy operating framework. This has entailed the introduction of an inflation targeting lite monetary policy framework, the centrepiece of which is the policy rate – the Central Bank Rate – which I now announce at the start of every month. Over the past 11 months, we have successfully used our new monetary policy framework to bring inflation under control. Our monetary policy operations have also been made much more transparent, to enhance public understanding of our actions and objectives.

Financial system regulation and supervision

With the guidance of the Board, the Bank has modernised its approach to the prudential supervision of banks, in particular through the introduction of risk based supervision. The Bank has also upgraded many aspects of the banking laws, including by raising minimum capital requirements and strengthening the regulations pertaining to the corporate governance of banks.

Human resource policies and staff welfare

The Board has prompted the Bank to introduce progressive human resource and staff welfare policies. In particular, the Bank has established a merit driven promotional regime. Other significant achievements in the area of human resources are the streamlining of the salary structure, measures to guarantee the sustainability of the Retirement Benefits Scheme and the succession management policy. The Bank can now confidently boast that the working conditions of its staff compare favourably with conditions in other institutions in the financial sector and the public service.

Information technology

The Board has spearheaded the computerisation of the functions and operations of the Bank. Computerisation is essential to promote efficiency, security, reliability and availability of services in real time. Included among the many examples of computerisation in the Bank are the BoU Banking System, the Human Resources Management System and the upgrading of the Uganda National Interbank System.

New family of banknotes

The Bank introduced a new family of banknotes in 2010; the first time since the 1980s that new bank notes had been introduced. The Board played a major role in overseeing the design of the new banknotes, which incorporate many state of the art security features and have earned international recognition. Our new UGX50,000 bank note was given the award of the best bank note of the year in 2011 by the International Bank Society. The International Association of Currency Affairs conferred the award of best new bank currency series in the world on the new family of notes.

Projects and infrastructure development

The Board has also guided the Bank in the implementation of major capital projects which have strengthened its capacity to deliver services up country. Examples include the construction of the Mbale Branch and the Kabale Currency Centre.

On behalf of Management and Staff of the Bank, I want to thank all Board members for a job well done. Your contribution as Board members to our Bank and to public policy making in this country has been invaluable. It is a contribution for which you can justifiably take pride and I hope that your achievements in this regard will be widely recognised in our society. With these few remarks, I would like to wish you success for all of your endeavours in the future and for the good health of yourself and your families.

Thank you for listening.