



**SHORT LISTING (PRE-QUALIFICATION) OF PROVIDERS EXTERNAL AUDITOR SERVICES FOR
COMMERCIAL BANKS, CREDIT INSTITUTIONS, MICRO-FINANCE DEPOSIT TAKING INSTITUTIONS,
AND FOREIGN EXCHANGE BUREAUS AND MONEY REMITTERS**

BOU/PREQ/22-23/00071-C

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Preface

Short listing is a pre-tender process that provides for a shortlist of providers from which providers are obtained to bid. Short listing is used where works, services or supplies are of a routine nature or bidding is for a group of similar contracts. Short listing shall be open to all providers and providers shall be invited using a short list notice.

A short list notice shall be published in at least one publication of wide circulation to ensure effective competition.

The short listing document is divided into:

- Part I: General Part
- Part II: Instructions to Bidders
- Part III: Preparation of Applications
- Part IV: Submission of Applications
- Part V: Opening and Evaluation of Applications
- Part VI: Short listing
- Part VII: Schedule of Events

Appendices:

- A: Application Submission Sheet
- B: Statement of Requirements
- C: Evaluation Criteria

PART I: GENERAL PART

1.1 Scope of Application

1.1.1 The Procuring and Disposing Entity invites applications for short list for provision External Auditor services to Commercial Banks, Credit Institutions, Micro-Finance Deposit Taking Institutions, and Foreign Exchange Bureaus and Money Remitters licensed in Uganda as per the terms of reference attached.

1.1.2 Throughout this document:

- (a) the “Applicant” means the bidder submitting an application; and
- (b) “Application” means a bid or submission to be short-listed.

as defined in the Bank of Uganda Procurement and Disposal Manual, 2017.

1.2 Source of Funds

1.2.1 Pursuant to Section 62 (1) of the Financial Institutions Act (FIA) 2004 and Section 30 (2) of the Microfinance Deposit-taking-Institutions Act 2003 and the External Auditor Appointment Guidelines for Forex Bureaus and Money Remitters (2016), Bank of Uganda is mandated to pre-qualify and publish a list of External Auditors for Commercial Banks, Credit Institutions and Microfinance Deposit-taking Institutions and Forex Bureaus. Payments to the shortlist External Auditors for to Commercial Banks, Credit Institutions, Micro-Finance Deposit Taking Institutions, and Foreign Exchange Bureaus and Money Remitters licensed in Uganda shall be met by the respective supervised Financial Institutions.

1.3 Corrupt Practices

1.3.1 It is the Government of Uganda’s policy to require that Procuring and Disposing Entities, as well as Applicants, Providers and Providers, observe the highest standards of ethics during procurement and the execution of contracts. In pursuit of this policy, the Government of Uganda represented by the Public Procurement and Disposal of Public Assets Authority (herein referred to as the Authority):

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) “corrupt practice” includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution; and
 - (ii) “fraudulent practice” includes a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring and Disposing Entity, and includes collusive practices among Providers prior to or after bid submission designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring and Disposing Entity of the benefits of free and open competition;
- (b) will reject a recommendation for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the Contract; and
- (c) will suspend a Provider from engaging in any public procurement proceeding for a stated period of time, if it at any time determines that the Provider has engaged in corrupt or fraudulent practices in competing for, or in executing, a Government contract.

1.3.2 In pursuit of the policy, the Government of Uganda requires representatives of both the Procuring and Disposing Entity and of Providers to adhere to the relevant codes of ethical conduct. The Code of Ethical Conduct for Providers is available from the Authority and Providers are required to indicate their acceptance of this code through the declarations in the **Application Submission Sheet**.

PART II: INSTRUCTIONS TO PROVIDERS

2.1 Introduction

Bank of Uganda will evaluate and short list all eligible audit firms for provision of External Audit services to Commercial Banks, Credit Institutions, Micro-Finance Deposit Taking Institutions, and Foreign Exchange Bureaus and Money Remitters licensed in Uganda for the years 2023, 2024 and 2025. Once a firm has been short listed, it will be invited by the BOU Supervised Financial Institutions (SFIs), several times during the years, to submit a proposal for the provision of the same.

2.2 Objectives

Bank of Uganda invites sealed Applications from reputable audit firms to provide External Audit services to Commercial Banks, Credit Institutions, Micro-Finance Deposit Taking Institutions, and Foreign Exchange Bureaus and Money Remitters licensed in Uganda for the **years 2023, 2024 and 2025**. In accordance with Regulation 4(4) of the Financial Institutions (External Auditors) Regulations 2010, **Bank of Uganda shall on an annual basis invite application for pre-qualification from only audit firms that are not on the pre-qualified list for the aforementioned years**.

2.3 Eligible Applicants and Countries

2.3.1 An Applicant, and all parties constituting the Applicant, shall meet the following criteria to be eligible to participate in this procurement:

- (a) the applicant has the legal capacity to enter a contract.
- (b) the applicant is not:
 - (i) insolvent.
 - (ii) in receivership.
 - (iii) bankrupt; or
 - (iv) being wound up
- (c) the applicant's business activities have not been suspended.
- (d) the applicant is not the subject of legal proceedings for any of the circumstances in (b); and
- (e) the applicant has fulfilled his or her obligations to pay taxes and social security contributions.

2.3.2 All countries are eligible except countries subject to the following provisions.

A country shall not be eligible if:

- (a) as a matter of law or official regulation, the Government of Uganda prohibits commercial relations with that country, provided that the Government of Uganda is satisfied that such exclusion does not preclude effective competition for the provision of supplies or related services required; or
- (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government of Uganda prohibits any import of Supplies from that country or any payments to persons or entities in that country”.

2.3.3 An Applicant shall be a natural person, private entity, government-owned entity, subject to 2.3.9, or any combination of them with the formal intent to enter into an agreement or under an existing agreement in the form of a joint venture, consortium or association. In the case of a joint venture, consortium or association, unless otherwise specified in the **Application Submission Sheet**, all parties shall be jointly and severally liable.

- 2.3.4 An Applicant and all parties constituting the Applicant shall have the nationality of an eligible country. An Applicant shall be deemed to have the nationality of a country if the Applicant is a citizen, or is constituted, incorporated or registered and operates in conformity with the provisions of the laws of that country.
- 2.3.5 This criterion shall also apply to the determination of the nationality of proposed subcontractors or providers for any part of the Contract including related services.
- 2.3.6 Applicants shall not have a conflict of interest. All Applicants found to be in conflict of interest shall be disqualified. Applicants shall be considered to have a conflict of interest with one or more parties in this short listing process, if they:
- (a) have controlling shareholders in common; or
 - (b) receive or have received any direct or indirect subsidy from any of them; or
 - (c) have the same legal representative for purposes of this application; or
 - (d) have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the application of another Applicant, or influence the decision of the Procuring and Disposing Entity regarding this short listing process; or
 - (e) participated as a consultant in the preparation of the design or technical specifications of the works, services or supplies that are the subject of this short listing.
- 2.3.7 A firm shall submit only one bid in the same bidding process, either individually as a Bidder or as a partner of a joint venture. No firm can be a subcontractor while submitting a bid individually or as a party of a joint venture in the same bidding process. A firm, if acting in the capacity of Subcontractor in any bid, may participate in more than one bid, but only in that capacity. A Bidder who submits, or participates in, more than one bid will cause all the proposals in which the Bidder has participated to be disqualified.
- 2.3.8 A firm that is under a declaration of suspension by the Authority at the date of submission of the application or thereafter, shall be disqualified.
- 2.3.9 Government-owned entities in Uganda shall be eligible only if they can establish that they are legally and financially autonomous, and operate under commercial law, and that they are not a dependent agency of the Procuring and Disposing Entity.
- 2.3.10 Applicants shall provide such evidence of their continued eligibility satisfactory to the Procuring and Disposing Entity, as the Procuring and Disposing Entity shall reasonably request.

2.4 Cost of Applying

The Applicant shall bear all costs associated with the preparation and submission of its Application, and the **Bank of Uganda** will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the short-listing process.

2.5 Clarification of Short Listing Documents

A prospective Applicant requiring any clarification of the short listing documents may notify the **Bank of Uganda** in writing or by cable (hereinafter, the term cable is deemed to include telephone, e-mail and facsimile) at the client's address indicated below. The **Bank of Uganda** will respond in writing to any request for clarification on the short-listing document, which it receives no later than seven (7) calendar days prior to the deadline for the submission of Applications. Written copies of the **Bank of Uganda's** response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective applicants that have received the short listing documents.

For clarification purposes only, the Bank's address is:

Attention:	Director Procurement and Disposal Department
Street Address:	Plot 37/45 Kampala Road
Floor/Room number:	Level 3 New Building, Room No. 3E - 01
Town/City:	Kampala
Postal Code/P. O. Box No:	7120 Kampala
Country:	Uganda
Telephone:	+256 (41) 4258441
Facsimile number:	+256 (41) 4257238
Electronic mail address:	Procurement@bou.or.ug copy to bnbyarugaba@bou.or.ug

2.6 Amendment of Short listing Document

- 2.6.1 At any time prior to the deadline for submission of applications, the Bank of Uganda may amend the Short listing Document by issuing addenda.
- 2.6.2 Any addendum issued shall be part of the Short listing Document and shall be communicated in writing to all who have obtained the short listing document from the Bank of Uganda.
- 2.6.3 To give prospective Applicants reasonable time to take an addendum into account in preparing their applications, the Bank of Uganda may, at its discretion, extend the deadline for the submission of applications.

PART III: PREPARATION OF APPLICATIONS

3.1 Language of Application

The Application prepared by the Applicant, as well as all correspondence and documents relating to the Application exchanged by the Applicant and the **Bank of Uganda** shall be written in English. Supporting documents and printed literature provided by the Applicant may be in another language provided they are accompanied by an accurate translation of the relevant passages in English, in which case, for purposes of interpretation of the Application, the translation shall govern.

3.2 Documents Establishing Applicant's Eligibility and Qualifications

The Applicant shall provide as part of its Application, the documentary evidence of the Applicant's legal status, financial, technical and production capability to provide the services if a contract is awarded in the format provided in the Application Submission Sheet (**Forms A1 – A7**). Failure to provide the required information shall result in disqualification.

3.3 Format and Signing of Applications

- 3.3.1 The Applicant is requested to submit its Short-listing Documents (included in Annex A) in one envelope marked: **“Short listing Documents for the provision of External Auditor services to Commercial Banks, Credit Institutions, Micro-Finance Deposit Taking Institutions, and Foreign Exchange Bureaus and Money Remitters licensed in Uganda for the Years 2023, 2024 and 2025.”** The envelope shall contain **one (1) original and one (01) copy. Any format of submission marked differently will not be considered for evaluation**
- 3.3.2 The original and the copies of the Application shall be typed or written in indelible ink, and shall be signed by the Applicant or a person or persons duly authorized to sign the short listing documents. All pages of the Application, except for un-amended printed literature, shall be initialed by the person or persons signing the Application and each page numbered.
- 3.3.3 Any interlineations, erasures, or overwriting shall be valid only if they are initialed by the person or persons signing the Application.
- 3.3.4 All Pages of the proposal **MUST** be numbered sequentially starting with page number one (1) being the cover page.
- 3.3.5 Additional information that is deemed to be important by the Applicant, but is not specified in this document may be submitted to back up the Applicants' technical, experience and business capability

PART IV: SUBMISSION OF APPLICATIONS

4.1 Sealing and Labelling of Applications

4.1.1 The Short-listing Application shall be composed of one envelope marked “Short listing Documents for the provision of External Auditor services to Commercial Banks, Credit Institutions, Micro-Finance Deposit Taking Institutions, and Foreign Exchange Bureaus and Money Remitters licensed in Uganda for the Years 2023, 2024 and 2025”. It shall contain one (1) original (marked “Original”) and one (01) copy (marked “Copy”).

4.1.2 For application submission purposes only, the Bank’s address is:

Attention:	Director Procurement and Disposal Department
Street Address:	Plot 37/45 Kampala Road
Floor/Room number:	Level 3 New Building, Room No. 3E - 01
Town/City:	Kampala
Postal Code/P. O. Box No:	7120 Kampala
Country:	Uganda
The deadline for application submission is:	
Date:	September 30, 2022
Time (Local Time):	11:00am

4.1.3 The envelope shall also indicate the name and address of the Applicant to enable the Application to be returned unopened in case it is declared “late”.

4.1.4 If the envelope is not sealed and marked as required by Clause 4.1, the **Bank of Uganda** will assume no responsibility for the Applications misplacement or premature opening.

4.2 Deadline for Submission of Applications

Applications must be received by **Bank of Uganda** at the address specified under Clause 4.1.2 no later than **September 30,2022 at 11:00am**

4.3 Late Applications

Any Application received after the deadline for submission of Applications prescribed by the **Bank of Uganda** will be rejected and returned unopened to the Applicant.

PART V: OPENING AND EVALUATION OF APPLICATIONS

5.1 Opening of Applications by the Bank of Uganda

- 5.1.1 The **Bank of Uganda** will read out Applicants' particulars on **September 30, 2022 at 11.10am**. Due to COVID 19 SOPs, Applicants are requested not to attend the application opening meeting. The Bank will open applications and results of opening shall be published on the Bank of Uganda website at www.bou.or.ug
- 5.1.2 No Application shall be rejected at Application opening.
- 5.1.3 The **Bank of Uganda** will record the necessary particulars of the Application opening.

5.2 Evaluation of Applications:

- (a) The **Bank of Uganda** will carry out the evaluation of proposals on the basis of their responsiveness to:
- Legal Status
 - Tax Payment
 - Specific evaluation criteria for each category as given in **Appendix C**.
- (b) Any application that fails to meet the requirements in 5.2 (a) will be considered unsuitable and shall be rejected at this stage. The Procuring and Disposing Entity shall notify the Applicant of the rejection of their application.

5.3 Clarification of Applications

- 5.3.1 During evaluation of the Applications, the **Bank of Uganda** may, at its discretion, ask the Applicant for clarification of its Application. A request for clarification shall be signed and sent to a bidder by the chairperson of the evaluation committee and all requests for clarifications shall be copied to all bidders for information purposes only and noted in the evaluation report.
- 5.3.2 A bidder shall be instructed to reply to clarifications in writing within a specified time, addressing their responses to the head of the procurement and disposal unit.
- 5.3.3 The head of the procurement and disposal unit shall ensure that all replies are promptly forwarded to the chairperson of the evaluation committee.
- 5.3.4 Failure of a bidder to respond to a request for clarification may result in the rejection of its bid.

5.4 Contacting the Procuring and Disposing Entity

- 5.4.1 No Applicant shall contact the **Bank of Uganda** on any matter relating to its Application from the time of Application opening to short listing of Applicants.
- 5.4.2 Any effort by the Applicant to influence the **Bank of Uganda** in its decisions on the Application evaluation may result in the rejection of the Application.

5.5 Confidentiality

- 5.5.1 Information relating to the evaluation of applications, and recommendation for short listing, shall not be disclosed to Applicants or any other persons not officially concerned with such process until the notification of short listing is made to all Applicants.
- 5.5.2 From the deadline for submission of applications to the time of notification of the results of the short listing, any Applicant that wishes to contact the Procuring and Disposing Entity on any matter related to the short listing process, may do so but only in writing.

PART VI: SHORT LISTING

6.1 Notification to the Short listed Applicants

The **Bank of Uganda** will notify all Applicants in writing by registered letter or by cable, that they have been short listed to provide External Auditor services to Commercial Banks, Credit Institutions, Micro-Finance Deposit Taking Institutions, and Foreign Exchange Bureaus and Money Remitters licensed in Uganda for the Years 2023, 2024 and 2025 by December 31, 2022 and the same shall be published in the print media as well as upload on the Bank of Uganda website (www.bou.or.ug).

6.2 Inspection

The **Bank of Uganda** reserves the right to conduct any formal of due diligence on the Applicant at its own cost and discretion. If, after the due diligence, it is deemed that the Applicants services are unsatisfactory, then the Application will be rejected. The Procuring and Disposing Entity reserves the right to verify all information submitted.

6.3 Currency

All monetary/financial information furnished, must be quoted in Uganda Shillings.

6.4 Changes in Qualifications of Applicants

- 6.4.1 Applicants and those subsequently short listed or conditionally short listed, shall inform the Procuring and Disposing Entity of any material change in information that might affect their qualification status. Providers shall be required to update key short listing information at the time of bidding.
- 6.4.2 Prior to award of contract, the best evaluated bidder will be required to confirm its continued qualified status in a post-qualification review process.

PART VII: SCHEDULE OF EVENTS

Date	Event
September 8, 2022	Publication of Invitation to bid
September 20, 2022	Last Day of written inquiries from Applicants
September 23, 2022	Last Day of responding to Applicant's inquiries
September 30, 2022	Bid Closing – 11.00am
September 30,2022	Bid Opening - 11.10am
Before or on December 31, 2022	Publication of the Shortlist

Bank of Uganda reserves the right to alter this Schedule of Events without prior notice. Communications regarding alterations to the Schedule of Events shall be made in accordance with Clause 2.5.

ANNEX A: FORM A1: APPLICATION SUBMISSION SHEET

Date: *[insert day, month, year]*

To: *[insert full name of Procuring and Disposing Entity]*

We, the undersigned declare that:

- (a) We have examined and have no reservations to the short listing document, including Addenda No:....., *[insert the number and issuing date of each Addenda]*;
- (b) We hereby apply to be short listed for the following works, services or supplies:

Reference Number	Description of Works, Services or Supplies

- (c) We, including any subcontractors or providers for any part of the contract or contracts resulting from this short listing process, are eligible to participate in public procurement;
- (d) We undertake to abide by the Code of Ethical Conduct for Providers and Providers during the procurement process and the execution of any resulting contract;
- (e) We, including any subcontractors or providers for any part of the contract or contracts resulting from this short listing process, have nationals from the following eligible countries *[insert the nationality of the Applicant, including that of all parties in case of a joint venture and the nationality of any subcontractors, if applicable]*;
- (f) We, including any subcontractors or providers for any part of the contract or contracts resulting from this short listing process do not have any conflict of interest, and are not associated, nor have been associated in the past, directly or indirectly, with the consultant or any other entity that has prepared the design or technical specifications of the Supplies;
- (g) We, our affiliates or subsidiaries, including any subcontractors for any part of the contract or contracts resulting from this short listing process, have not been suspended by the Public Procurement and Disposal of Public Assets Authority in Uganda from participating in public procurement;
- (h) We are not a government owned entity, or if we are, we meet the requirements of 2.3.9.
- (i) We declare that the following commissions, gratuities, or fees have been paid or are to be paid with respect to the short listing process, the corresponding bidding process or execution of the Contract: *[insert complete name of each Recipient, their full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity. If none has been paid or is to be paid, indicate "none".]*

Name of Recipient	Address	Purpose/Reason	Amount & currency

- (j) We understand that you may amend the scope and value of any contracts to be bid or cancel the short listing process at any time and that you are neither bound to accept any application that you may receive nor to invite the short listed applicants to bid for the contract or contracts, which are the subject of this short listing, without incurring any liability to the Applicants;
- (k) We understand that qualification information will be subject to verification through a post-qualification process prior to any award of contract;
- (l) We hereby authorise you and your authorised representatives, to conduct any enquiries or investigations to verify the statements, documents and information submitted in connection with this application and to seek clarification from our bankers and clients regarding any financial and technical aspects. This Application Submission Sheet will also serve as authorisation to any individual or authorised representative of any institution referred to in the supporting information to provide such information deemed necessary and as requested by you to verify statements and information provided in this application.

Signed: *[signature of person whose name and capacity are shown below]*

Name: *[insert complete name of person signing the application]*

In the capacity of *[insert legal capacity of person signing the application]*

Duly authorised to sign the application for and on behalf of: *[insert complete name of Applicant/Joint Venture]*

Dated on _____ day of _____, _____ *[insert date of signing]*

FORM A2: APPLICANT INFORMATION SHEET

STRUCTURE AND ORGANIZATION

It is mandatory that this form is completed in its entirety. For those questions not applicable to the Applicant, please fill the blank with Not Applicable (NA).

1 Name of Company:
[insert full legal name]

Physical address:
[insert street/ number/ town or city/ country]

Postal address:

Telephone number:

Telefax number:

Email:

2 Description of the Company's activities:

3 Number of years of experience in the provision of audit services under reference

-
- 4 In case of a Joint Venture, the following documentation shall be required for each member of the joint venture:
- a. a copy of the Bidder's Trading licence or equivalent for 2022.
 - b. a copy of the Bidder's Certificate of Registration or equivalent.
 - c. a copy of the Bidder's NSSF Clearance Certificate 2022
 - d. a copy of the Bidder's income tax clearance certificate addressed to Bank of Uganda valid until June 2022 or later.
 - e. Power of Attorney (PoA) of the signatory(ies) of the bid authorising signature of the bid on behalf of the joint venture. The PoA must be registered with URSB;
 - f. a certified copy of the Joint Venture Agreement, which is legally binding on all partners, showing that all partners shall be jointly and severally liable and one of the partners will be nominated as being in charge, authorised to incur liabilities, and receive instructions for and on behalf of any and all partners of the joint venture.

The Applicant's authorised representative for information is:

Name: *[insert full legal name]*

Address: *[insert street/ number/ town or city/ country]*

Telephone/Fax numbers: *[insert telephone/fax numbers, including country and city codes]*

E-mail address: *[indicate e-mail address]*

-
- 5 Please indicate here or attach an organization chart showing the company structure including key personnel

-
- 6 Please indicate the additional services other than audit services
-

FORM A3: FINANCIAL STATEMENT

1. Share capital

- Authorized share capital:

2. Annual value of business under taken in the last three years

Year			
Turn over			

3. Approximate value of current work related to this type of services

4. Please attach copies of the company's audited accounts for the previous three years (profit/loss, assets/liabilities) and any financial data, which you consider to be useful in the shortlisting. Please list all the attachments below.

5. Name and address of Bankers from which references can be obtained and authority to seek references

FORM A4 (A): RESOURCES: PERSONNEL

1. Number of staff

- Management staff:
- Technical staff:
- Support staff:

2. Please list the present key personnel and management staff.

Name	Qualification	Years of relevant experience

Form A4 (B): Format of Curriculum Vitae for Proposed Technical Staff to provide the required audit services

This Form should be filled and signed by each of the key technical personnel). The Applicant is requested to submit signed CVs of the Technical Staff. Applicant should attach copies of academic and qualification certificates.

Position: _____

Name of Applicant: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm: _____ Nationality: _____

Detailed Tasks Assigned (current job) _____

Key Qualifications:

Education: (*Professional Qualifications; State Employment Record (use additional sheets if necessary and attach)*)

Period (From-To)	<u>Company</u>	<u>Major Activities (relevant experience)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications and my experience.

[Signature of staff member] Date: _____
Day/Month/Year

Authorised Representative of the Company

I, the undersigned, certify that to the best of my knowledge and belief, this data correctly describes the employee mentioned above.

[Signature of Authorised Company Representative] Date: _____
Day/Month/Year

FORM A5: RESOURCES: PROVIDERS EQUIPMENT AND FACILITIES

On the basis of the information provided in the short listing documents, please indicate equipment and facilities considered by your firm to be necessary for undertaking the contract and whether this is already in the company's ownership or will be purchased.

The following facilities and infrastructure are available at the Applicants workshop:

FORM A6: EXPERIENCE: RELEVANT PROJECTS COMPLETED

Please fill in information about the relevant contracts completed over the past three years.

Name Employer	Description of Contracts	Total Contract Price	Date of Completion

The applicant **MUST** attach evidence of performance of the above contracts either in the form of reference letters from the clients. This is applicable for both completed and current similar assignments.

EXPERIENCE: CURRENT RELEVANT CONTRACTS

Please fill in information about the current relevant contracts being executed.

Name Employer	Description of Contract	Contract Price	Value completed and certified

FORM A7: LEGAL STATUS	
1	Enclose a copy of the Memorandum and Articles of Association or its equivalent. A separate list of Directors/Partners/Proprietors should be attached. A joint venture agreement should be attached where applicable.
2	Enclose a copy of the Certificate of Incorporation or its equivalent.
3	Enclose a copy of the Power of Attorney (PoA) to the signatory of the short listing document registered by the Registrar of Companies (URSB). The PoA should have both donor and donee signatures.
4	Enclose an Income Tax Clearance Certificate addressed to the Bank of Uganda valid until June 2022 or later,
5	Please enclose a copy of a Trading License certified by an issuing authority for the year 2022 .
6	Please enclose a copy of a National Social Security Fund Clearance Certificate covering the period up to June 2022 or later .
7	Please enclose a copy of your firm's insurance policy coverage (applicable to motor vehicle maintenance, repair of office equipment, etc.)
8	Please enclose a copy of your firm's ISO or other quality assurance certificate, if any.
9	<p>Additional documents as proof of eligibility to be a local provider (from this prequalification exercise, the Bank shall categorize providers that qualify for the reservation schemes to promote local content in Public procurement)</p> <p>9.1. For Companies</p> <ol style="list-style-type: none"> I. Return of Allotment of shares/ Annual Returns for 2021; and II. Copies of the National Identity Cards or Passports of the majority shareholders. <p>9.2. For partnerships or other associations (Joint Ventures or Consortiums or Cooperative societies:</p> <ol style="list-style-type: none"> I. In the case of individuals, copies of the National identity Cards or Passports; and II. In the case of a company: the requirements as listed in 9. 1. above. <p>9.3. For individual providers, a copy of the National Identity Card or Passport</p>

ANNEX B: STATEMENT OF REQUIREMENTS

ANNEX 1:

1. Introduction

In accordance with Section 62 (1) of the Financial Institutions Act (FIA) 2004, Section 30(1) of the Microfinance Deposit Taking Institutions (MDI) Act 2003 and the External Auditor Appointment Guidelines for Forex Bureaus and Money Remitters, 2016, Supervised Financial Institutions are required to nominate for appointment an External Auditor from a prequalified list published by Bank of Uganda, whose duty shall be to perform an audit of the annual financial statements of the institution.

Additionally, Regulation 4(2) of the Financial Institutions (External Auditors) Regulations 2010 requires Bank of Uganda to publish a pre-qualified list of auditors by December 31 every year.

Purpose of the Evaluation Criteria

- i) To standardize the approach to evaluation of applications for pre-qualification of audit firms which provide external audit services to Supervised Financial Institutions.
- ii) To Ensure that external auditors of supervised financial institutions have acceptable standards of.
 - a. knowledge,
 - b. competence,
 - c. independence,
 - d. quality control,
 - e. Professional skepticism.
- iii) Require external auditors of supervised financial institutions to discharge their responsibilities effectively.
- iv) Promote transparency and accuracy in reporting to enhance market discipline.
- v) Promote confidence in the financial sector by ensuring that competent and qualified auditors are appointed

2. Evaluation Criteria

In accordance with Regulation 4(2) of the Financial Institutions (External Auditors) Regulations 2010, and in line with Bank of Uganda Procurement Manual 2017, Bank of Uganda shall use the following criteria in evaluating external auditors and drawing up the prequalified list.

A. Standard Documentary Evidence

An audit firm applying to be included on the list of prequalified external auditors shall provide the following documents to confirm its legal status before the above criteria is applied for further evaluation.

- a) Certificate of Registration/Partnership deed
- b) Valid Practicing certificates of partners and staff issued by the Institute of Certified Public Accountants of Uganda (ICPAU) for the year 2022.
 - i) Firms which have been pre-qualified should submit practicing certificates for the years 2023, 2024 and 2025 to Bank of Uganda no later than 31 March of each year to which the certificate relates. Failure to do so, without reasonable cause, will result in automatic removal from the pre-qualified list.
- c) Annual License issued by the Institute of Certified Public Accountants of Uganda for the year 2022.
 - i) Firms which have been pre-qualified should submit the annual license for the years 2023, 2024 and 2025 to Bank of Uganda no later than 31 March of each year to which the license relates. Failure to do so, without reasonable cause, will result in automatic removal from the pre-qualified list.
- d) In accordance with Section 66 of the FIA 2004, valid professional indemnity insurance cover for negligence in the performance of its duties under the FIA.
 - i) Firms which have been pre-qualified should submit a valid professional indemnity for the years 2023, 2024 and 2025 to Bank of Uganda no later than 31 March of each year to which the indemnity relates. Failure to do so, without a reasonable cause, will result in automatic removal from the pre-qualified list.

B. Standard Competence Evaluation Criteria

- a) The staff strength of the firm considering the number of staff, their qualifications and experience in audit. The staff lists provided will be validated against the records with the Institute of Certified Public Accountants of Uganda.
- b) The history and experience of the audit firm based on previous work done in auditing supervised financial institutions.
- c) The audit methodology, tests and procedures employed by the firm to ensure that these sufficiently address areas of high risk in the financial institutions.
- d) The Legal Status of the Firm which shall consist of proper registration of the firm and practicing certificates of partners issued by the Institute of Certified Public Accountants of Uganda as detailed in Part A above.
- e) The quality control processes employed by the firm to provide assurance on the audit work conducted, taking into consideration the use of engagement quality control reviewers.

f) Reputation of the firm.

i. *Sanctions by Bank of Uganda*

Any firm which has been formally sanctioned by Bank of Uganda with respect to performance of its duties as external auditor of a Supervised Financial Institution during the year in which the pre-qualification exercise is being conducted will be **disqualified** from eligibility for pre-qualification.

Any **pre-qualified firm** which is formally sanctioned by Bank of Uganda **during** the course of the years 2023, 2024 and 2025 shall be removed from the list of pre-qualified external auditors for supervised financial institutions.

ii. *Disciplinary Matters with the Institute of Certified Public Accountants of Uganda*

Any firm which has been found culpable by the Institute of Certified Public Accountants in any matter whatsoever shall be **disqualified** from eligibility for pre-qualification.

Any **pre-qualified firm** which has been found culpable by the Institute of Certified Public Accountants **during** the course of the years 2023, 2024 and 2025 shall be removed from the list of pre-qualified external auditors for supervised financial institutions.

iii. *Sanctions in another jurisdiction*

Any firm licensed in Uganda which has been formally sanctioned by a regulator in another jurisdiction with respect to the execution of its duties as an external auditor shall be **disqualified** from eligibility for pre-qualification.

Any **pre-qualified firm** which has been formally sanctioned by a regulator in another jurisdiction with respect to the execution of its duties **during** the course of the years 2023, 2024 and 2025 shall be removed from the list of pre-qualified external auditors for supervised financial institutions.

iv. *Non-performing credit facilities*

Any firm, partner together with their related interests or related persons with a non-performing credit facility in a supervised financial institution shall be disqualified from eligibility for pre-qualification.

Any **pre-qualified firm** whose partner together with their related interests or related persons with a non-performing credit facility in a supervised financial institution **during** the course of the years 2023, 2024 and 2025 shall be removed from the list of pre-qualified external auditors for supervised financial institutions.

- v. *Adverse media publicity involving the firm and a supervised financial institution*

Any firm which is involved in adverse media publicity relating to a supervised financial institution with respect to its duties as an external auditor may be disqualified from eligibility for pre-qualification.

Any **pre-qualified firm** which is involved in adverse media publicity relating to a supervised financial institution with respect to its duties as an external auditor **during** the course of the years 2023, 2024 and 2025 may be removed from the list of pre-qualified external auditors for supervised financial institutions.

- g) Conflicts of Interest - Audit Partners and Staff of Audit firms employed by Supervised Financial Institutions

The evaluation of firms shall ascertain whether or not there are any existing or potential conflicts of interest which may arise in the audit of any Supervised Financial Institution, with respect to its partners or staff. This is based on the information disclosed by the firm regarding material interests in any SFI together with any other information which may be brought to the attention of the Central bank in this regard.

- i. Audit partners and staff of audit firms who are actively employed in senior management positions in any Supervised Financial Institutions shall be disqualified from eligibility for pre-qualification.
- ii. A firm whose partner or staff are engaged as a Non- Executive Director of a Supervised Financial Institution shall not be permitted to provide external audit services to that Financial Institution.
- iii. A firm whose partner or staff is a non-executive director of a Supervised Financial Institution may provide external audit services to another financial institution on condition that the partner or staff who is a non-executive director shall not participate in the audit at any level and shall not be privy to any information obtained about the financial institution during the audit.
- iv. If a firm which falls under category (iii) above meets the minimum score for pre-qualification, it shall be further assessed to ensure that sufficient procedures and arrangements have been instituted to ensure the ring-fencing of audit work related to supervised financial institutions. Such arrangements shall include but not limited to:
 - a. The firm should have another audit partner who is not engaged as a non-executive director of a supervised financial institution.
 - b. The partner in a. above shall be responsible for all audit work related to supervised financial institutions.

- c. The partner who is a non-executive director shall be required to excuse himself from meetings in which matters to do with the audit of a supervised financial institution are being discussed. BOU may call for Minutes of management meetings of the firm to confirm that this is done.
- v. Any firm which fails to disclose a conflict of interest shall be automatically disqualified from eligibility for pre-qualification and if already pre-qualified, removed from the pre-qualification list.

C: Criteria for determining whether the partners of an audit firm are fit and proper persons for purposes of providing external audit services to Supervised Financial Institutions

The criteria for determining whether the partners of an audit firm are fit and proper persons to provide external audit services to Supervised Financial institutions shall be in accordance with the Third Schedule of the Financial Institutions Act 2004.

D: Review of Adequacy of Audit Methodology and Tests and Procedures

The following minimum criteria should be considered in the review of the applicant's description of their audit methodology, tests and procedures.

1. An assessment of the adequacy of the audit methodology as described by the applicant should take into special audit considerations which arise in the audit of financial institutions due to:
 - i. The nature of the business risks associated with transactions undertaken by financial institutions
 - ii. The scale of banking operations and the resultant significant exposures which can arise within short periods of time
 - iii. The extensive dependence on computerized systems to process transactions
 - iv. The effect of regulations on the operations of the financial institution
 - v. The continuing development of new products and banking practices which may not be matched by the concurrent development of accounting principles and auditing practices.
2. The applicant should comment on the use and source of specialized accounting principles with reference to any requirements of the Bank of Uganda Act 2000, the Financial Institutions Act 2004 (and amendments) together with its implementing Regulations, the Micro Deposit Taking Institutions Act 2003 and its implementing Regulations and the Foreign Exchange Act 2004. Additionally, the applicant should incorporate any Circulars, Directives, Guidance Notes and other pronouncements issued by Bank of Uganda in the audit methodology and tests and procedures.

3. Reference should be made to special reporting requirements which exist between the auditor and Bank of Uganda as prescribed in the Financial Institutions Act 2004 and the Micro Deposit Taking Institutions Act 2003.
4. The Audit Methodology should be risk based, focusing on areas of high existing or emerging risks within the financial institution. Additionally, the applicant should incorporate the review of the risk management framework of the financial institutions covering the key risks as defined in the Bank of Uganda Risk Management Guidelines.
5. A clear description of processes to be undertaken to review the Information Communication Technology (ICT) systems within the financial institutions including the core banking system, operating system, applications, databases, servers, and networking systems.
6. Ability to review risk management strategies and the financial instruments used by the SFIs to manage financial risks.
7. In terms of classification and measurement criteria, the auditor is expected to demonstrate ability to assess how the institution classifies its financial instruments, review financial assets to ensure consistency in approach with respect to the respective accounting standards, and understand the rules relating to reclassification of financial instruments between categories.
8. The External auditor is expected to demonstrate capability to assess the impact on governance, IT systems processes and controls, data quality and data availability given the specific requirements of the respective Standards.
9. External Auditors of SFIs will be expected to conduct validation and back-testing of the credit models to confirm the results of the impairment assessments undertaken by the SFIs. Therefore, Bank of Uganda will expect audit firms to further demonstrate sufficient capacity to conduct model validation and testing through their audit methodology, tests and procedures as well as by providing evidence of staff with specialized skills who will form part of the teams conducting the audit of SFIs.

E: Pass Mark and Scoring

The acceptable pass mark shall be 60% for external auditors of Commercial banks, Credit Institutions, Microfinance Deposit Taking Institutions and Forex Bureaus and 50% for Forex bureaus only. Allocation of scores for each of the listed criteria shall be as follows.

Table 1: Staff Strength

Criteria	Maximum Score
a) Qualification of staff * Staff to be evaluated are: – Partners, Managers, and Quality Assurance staff.	10
b) Working Experience of staff * staff to be evaluated are – Partners, Managers, and Quality assurance staff	13
c) Staff strength	8
Sub Total	31

Table 2: Institutional Profile/Experience/Firm History

Criteria	Maximum Score
a) Date of establishment	5
b) Experience in auditing Financial Institutions. (years since last engagement)	4
Sub Total	09

Table 3: Test Procedures & Audit Methodology.

Criteria	Maximum Score
a) Tests and procedures	50
b) Audit methodology	

Table 4: Quality Control Processes.

Criteria	Expectations	Maximum Score
a) The firm does independent quality control reviews	Yes	5
b) The firm uses an Engagement quality control reviewer	Throughout and at end of audit	5
Sub Total		10

Table 5: Reputation of the Firm.

Criteria	Remark
a) Reputation recently damaged by adverse industry incident in which the firm was involved as auditor	Disqualify
b) Has the firm been sanctioned by Bank of Uganda /ICPAU within the last year?SSS	Disqualify
c) Has the firm or partners been found culpable in a disciplinary matter?	Disqualify
d) Undisclosed material Conflicts of interest e.g., employment on Board or staff of the SFI	Disqualify
e) CRB reports indicate non-Performing loan for firm or partners and their related interests and persons	Disqualify

Table 6: Compliance check for documents submission

Criteria	Pass or Fail
a) Partnership Deed/Certificate of Registration	
b) Practicing Certificates for Partners	
c) Annual License issued by ICPAU	
d) Evidence of application for renewal of practicing certificates	
e) Evidence of application for renewal of annual license	
f) Professional Indemnity Cover	