BBC BANK UGANDA LIMITED

INTERNAL MEMO

To	Chairperson, Board Audit and Risk Committee
Copy	Managing Director; Chief Risk Officer; Head of ICT
From	Chief Internal Auditor
Date	18 March 2026
Subject	PRELIMINARY REPORT: INC-2026-0314, UNAUTHORISED AGENT FLOAT REVERSALS (CONFIDENTIAL)

1. Background

On 14 March 2026 the Reconciliations Officer escalated unexplained daily differences between the AgentConnect switch settlement and Finacle GL 2140-0035 (Agent Float Control) for early March. Initial review identified a series of back-office "Reversal – Failed Withdrawal" transactions credited to the float accounts of three agents: AG0417, AG0452 and AG0458.

2. Preliminary facts

- Reversals were posted between 3 and 12 March 2026, mostly between 22:00 and 03:00.
- Each reversal referenced an original transaction from February 2026. Preliminary checks indicate the referenced originals do not exist on the AgentConnect journal.
- Postings were made under Finacle user IDs AGTOPS01 (a shared Agency Operations ID) and SOKELLO.
- Agent AG0452 had been terminated in January 2026. Agent AG0458 was onboarded on 24 February 2026.
- Funds credited were withdrawn the same night through agent cash-outs and transfers to mobile money wallets.
- Daily reconciliation differences had been explained as "timing" and were not escalated for ten days.

3. Scope of the independent IS audit

The Board Audit and Risk Committee has requested that the independent IS audit (H1 2026) determine the control failures that permitted this incident, quantify the loss from the evidence provided, and recommend corrective actions. Internal Audit has provided the Finacle audit trail extract for 1–14 March 2026.

4. Status

Matter reported to Police. Agents AG0417, AG0452 and AG0458 suspended on 15 March 2026. Final loss quantification pending.

Signed: Chief Internal Auditor