



**CENTRAL BANK OF
SOMALIA**

**TERMS OF REFERENCE: ORGANIZATIONAL WIDE RISK AND COMPLIANCE
CONSULTANCY (FIRM)**

Job Description	
Position Title:	Organizational Wide Risk and Compliance Consultancy (Firm)
Duty Station:	Central Bank of Somalia Headquarters, Mogadishu
Name of the Project	Somalia Capacity Advancement, Livelihood and Entrepreneurship, through Digital Uplift Project (SCALED-UP)
Project ID	P168115
Type of Appointment	Consultancy (Firm)
Duration	12 months

1. Project Background

The Republic of Somalia has received financing from the World Bank towards the cost of the Somalia Capacity Advancement, Livelihood, and Entrepreneurship through Digital Uplift Program (SCALED-UP) projects. It intends to apply part of the proceeds of the above project to finance Organizational Wide Risk and Compliance Consultancy (Firm).

The Project Development Objective for the SCALED-UP project is to support progress toward increased access to basic digital financial and government services targeting entrepreneurship and employment, particularly for women. For the Central Bank of Somali (CBS), the SCALED-UP project will help deliver regulatory and supervisory capacity for non-bank financial institutions, including developing the National Payment Systems.

2. Objectives:

The Central Bank is looking for an experienced firm to offer dedicated services in Risk and Compliance Management. This is to strengthen the institution's Enterprise Risk Management, improve risk management practices, and uphold a strong compliance framework. The chosen firm will play a vital role in achieving the Central Bank's goals of ensuring financial stability and protecting the integrity of the financial system.

The Organizational Wide Risk and Management Firm is expected to support the development of an ERM framework that can add value to the Central Bank of Somalia's ERM strategy.

This assignment aims to equip the institution and personnel of the Central Bank of Somalia with advanced skills pertaining to the Enterprise Risk Management framework, including its accompanying policies and procedures. These elements are designed to be seamlessly applicable

within the unique context of central banking, where the institution plays a crucial role as the financial sector regulator. Additionally, this assignment seeks to ingrain, uphold, and bolster a culture centered around responsible Enterprise Risk Management throughout the CBS organization.

3. Scope of Work:

The selected firm will be responsible for the following key areas:

3.1 Key Objectives of the assignment:

- Develop and implement comprehensive risk management framework, policies, and procedures in alignment with international best practices and regulatory guidelines.
- Lead the initiative to establish the risk and compliance management unit.
- Conduct comprehensive risk evaluation of the adequacy and effectiveness of internal controls within various departments and functions of the Central Bank.
- Develop and implement risk mitigation strategies and action in collaboration with relevant stakeholders.
- Provide training and capacity building to the risk and compliance staff on ERM frameworks and methods.
- Setting all the supplemental policies, frameworks, and procedures.

3.2 Specific Objectives:

- Set reporting templates with mechanisms to collect risk exposure and likelihood data.
- Develop an incident management log that captures the information about the organization's risk exposures.
- After consultation with senior management, design the organizational structure for the Risk and Compliance Management unit and create detailed job descriptions.
- Provision of capacity building to other lines of defense such as first and third line of defense departments.

4. Deliverables:

The firm is expected to deliver the following key outputs during the engagement (also see appendix on summary of deliverables):

4.1. Inception Phase (Work Plan and Assessments):

- Submit an inception report 3 weeks after the commencement of the assignment, including a work plan with a timeline of deliverables and periodic check-in with CBS senior management to discuss progress and identify any issues needing their attention/guidance.
- Perform a model set of Organization-wide risk assessment, preparation, and submission of the output report to the senior management.
- Conduct a control self-assessment workshop for the CBS's first line of defense departments, e.g., Currency, Procurement, Operations, Financial Markets, Financial Affairs, and other departments. This will help identify strengths and weaknesses, subsequently leading to the development of targeted training and performance enhancement programs.
- Submit a finalized organizational structure for the Risk and Compliance Management unit, designed in consultation with senior management, and comprehensive job descriptions for all roles within the Risk and Compliance Management unit. These

documents are to be finalized and submitted within six weeks from the project start date.

4.2. Development and Performance Phase:

- Develop ERM Framework and other risk-related policies, that are important for the Bank.
- Initiate and develop data analytics systems for CBS to analyze financial and non-financial data. Train designated CBS staff, including the soon-to-be-established Risk and Compliance unit, on these systems to identify potential risks and vulnerabilities within CBS.
- Design and deliver tailored training programs for CBS department staff, aligning content with their specific roles and experience levels. These programs will concentrate on the technical aspects of deploying the Enterprise Risk Management framework across CBS operations.
- Produce and provide training materials, including PowerPoint presentations, and training notes, covering topics like risk and compliance manuals. These materials should encompass additional pertinent subjects as determined by the trainer and approved by the Central Bank Senior Management team.
- Develop quarterly progress reports to be approved by the CBS Senior Management Team

4.3. Closing Phase:

- Submit training reports to the CBS Senior Management Team.
- Provide certificates of training to the participants.
- Submit final report covering all aspects outlined in scope of work and appendix on summary of key deliverables at the end of the project.

5. Firm Profile:

- The firm must have over 12 years of experience in Risk Management and Compliance in the banking industry.
- The firm must have over 10 years of experience in providing capacity building at ERM and Compliance to Big financial institution as the scope of the CBS.
- The firm should be able to offer a wide range of risk and compliance services tailored to the specific needs of central banks. These may include but are not limited to:
 - ✓ Risk assessment and management frameworks.
 - ✓ Compliance monitoring and reporting.
 - ✓ Financial crime prevention and anti-money laundering (AML) strategies.
- The firm must have international affiliation and demonstrate the ability to leverage work and experience from global jurisdictions and best practices.
- The firm must possess in-depth knowledge and understanding of the regulatory landscape governing Central Banks.
- The firm should have a track record in the financial industry and positive references from previous clients, including central banks or other regulatory bodies.
- Working experience in the region and countries like Somalia environment is advantageous.

6. Key Consultants Personnel:

- The Firm must submit the list of consultants and their qualifications such as ACCA, CPA, CIA, ERM, CRM with at least 10 years of relevant experience noting who will deliver different phases of the project.
- These consultants are required to be physically present in Mogadishu as and when necessary.

Team Leader:

- ✓ Team leader must have minimum academic qualifications of a master's degree and Professional qualifications of either Enterprise Risk Manager (ERM) or Certified Risk Manager (CRM) or equivalent qualification with solid, relevant experience.
- ✓ A minimum of 10 years overall experience, 5 years of which working in similar project.
- ✓ The lead consultant must demonstrate previous experience working in fragile states such as Somalia, with solid experience in central banks.
- ✓ Proficiency in risk and compliance assessment methodologies and tools.
- ✓ Analytical mindset and strong problem-solving skills.
- ✓ Demonstrated ability to collaborate cross-functionally with legal, finance, operations, and other teams for comprehensive risk and compliance management.
- ✓ Strong leadership and communication skills.

Senior Risk Analysts:

- ✓ A minimum of 7 years overall experience, 3 of which working in similar project.
- ✓ Must have a bachelor's degree in business, finance, risk management, or a related field (master's degree preferred)
- ✓ Strong quantitative and statistical skills.
- ✓ Proficiency in risk modeling and data analysis tools.
- ✓ Detail-oriented with strong research and analytical skills.
- ✓ Experience in developing risk mitigation strategies.
- ✓ Professional qualifications in the field of accounting, Risk and Compliance or auditing.
- ✓ Ability to communicate complex risk assessments effectively.

Senior Compliance Analysts:

- ✓ A minimum of 7 years overall experience, 3 of which working in similar project.
- ✓ Must have a bachelor's degree in law, business, finance, or a related field (master's degree preferred).
- ✓ Detail-oriented with strong research and analytical skills.
- ✓ Ability to interpret and apply complex regulations.
- ✓ Professional qualifications in the field of Compliance, Accounting, and Risk or auditing.

✓ Excellent written and verbal communication skills.

7. Reporting and Supervision: The Risk and Compliance Management firm and team will report to the Governor and will work closely with other departments and senior management as required.

8. Location of the assignment: The duty station is both at CBS HQ in Mogadishu and remotely.\

Appendix

Summary of key deliverables

Policy Development	Tools development	Capacity Building
Enterprise Risk Management Framework	Risk assessment Tools and techniques	Risk Identification and Data collection
Organization wide compliance manual	Comprehensive Risk Register Manuals	Risk assessment and analysis, with the appropriate analytical tools.
Risk Appetite and Strategy	Risk Reporting Templates with the adequate frequency of reporting periods.	Risk mitigation reporting of risk exposures to CBS leadership.
Risk and Compliance Management Policy	Risk Management Procedures, such as, Risk transfer, Risk Acceptance, Risk Reduction, etc.	Compliance Policies and manuals relevant with the Central bank of Somalia
Risk and compliance Management Unit structure, and the Job description for potential department staff	Compliance Testing Sheets and tools	Workshops and Training sessions to equip frontline staff with an understanding of their specific role in risk management.