TERMS OF REFERENCE (TOR)

Custom Financial Management System Development and Finance Capacity Strengthening

Project Location: Hargeisa—Somaliland

Duration: 15 Days

Closing date: 22nd December, 2025

1. Background

The Somaliland National Elections Commission (NEC) is an independent institution responsible for administering electoral events for Somaliland citizens. Its responsibility includes preparing and administering all electoral-related activities and ensuring a suitable environment to expedite a credible electoral process. The commission have managed 10 elections, namely the local council elections (2002, 2012, & 2021), the parliamentary elections (2005 & 2021), and the presidential elections (2003, 2010, 2017 & 2024) and 2024 political parties election. The NEC is currently preparing for the Voter Registration operation due to the upcoming local council and parliamentry elections.

NEC is seeking an experienced and dynamic consulting firm to carry out an organizational needs assessment in finance and procurement, develop manuals, and customize its accounting software. This assignment will support the NEC's election operations, including finance, procurement, warehouse, and asset management. This assignment is intended to strengthen the NEC's finance systems and procedures.

2. Objective of the Assignment

To improve NEC's financial governance and operational efficiency by developing a custom hybrid financial system, strengthening financial procedures and reporting, and building finance staff capacity.

3. Scope of Work
3.1. Inception and Assessment

- Review NEC financial workflows, roles, and reporting.
- Conduct financial needs assessment at HQ and regional levels.
- Submit inception report

3.2. Custom Financial System Development

The system must be hybrid (web + local access), secure, auditable, and reflect NEC's organizational structure. The system will work on non profit operational budget (expenditure) for voter registrations and election operatiaons.

Function	System Requirement
Budget Heads Setup	Create and manage budget heads and annual ceilings.
Budget Control	Real-time tracking and alerts for overspending.
Payment Vouchers	Auto-deduction from relevant budget heads and multiple bank accounts.
Approval Workflow	Initiator → Finance Director → DG → NEC
Internal Auditor User Accessibility	User for internal auditors for checking all transactions
Regional/District Lump Sums	Tracking allocations and expenditures for 6 regions.
Categorization	Group budget heads and lump sums by category and region.
Payroll	Salary tables, deductions, allowances, bank transfer generation.
Cashbook	Track all cash and bank balances including reconciliations.
Asset/Inventory Register	• Record items, codes, locations, and responsible staff. • Categorization of assets, asset registrant users. • Production goods received notes in line with procurement office, and warehouse.
Audit Trail	Full log of all user actions and system changes.
Report and Dashboard	Create real time financial reports on the spot: bank reconciliations, cashbook, budget vs expenditure (summary and detailed). • Monthly reports • Quarterly reports • Annual reports • Exportable to excel • Single subhead reports • Dashboard for balances
Notifications System	Notifications for executives on financial transactions in emails
User and privileges	Categorize users and their privileges during operations. Expected user including: • Accountants/initiators • Regional Finance/Initiators • Finance Director • Director General • NEC • NEC Chairman • Internal Auditor

Multi-Bank Account Platform	Integration with multiple banks and bank accounts with various currencies and creation of instant bank statements.
Mass payments	Payments should be compatible with ZAAD or Edahab payment platforms.
System Risks and Security	Security should be priority and encripted where no one can access anyway other than NEC.
Contingency Backup	System jamming, failures may occur thus backup plan should be in a place. There should be automatic back up and retrieval.
Superior Local Contextual Mastery	Guarantees native integration with local payment providers (ZAAD/Edahab) and compliance with Somaliland's specific financial regulations, minimising integration and audit risk
Comprehensive Localised Training and Capacity Building	Deep institutional familiarity and a locally based training team ensure the delivery of a superior, sustainable Training and Capacity Building program, maximising system adoption among NEC staff
Guaranteed On-Site Business Continuity	Local presence ensures immediate Contingency Backup and Retrieval services, guaranteeing system resilience and 24/7 technical support crucial for secure, uninterrupted electoral operations
Proven Government Financial System Experience	A 10-year track record includes the successful deployment of complex financial management and capacity-building projects for major government and non-profit entities, ensuring expert execution.
Any Other Business	Any other business discussed during the meetings witht the stakeholders.

3.3. Strengthening Finance Workflows and Roles

Align roles and responsibilities within the Finance Department to strengthen internal controls, avoid duplication, and establish clear accountability across HQ, regions, and support sections.

3.4. Training and Capacity Building

Train finance staff on system operations, monthly reconciliation, documentation standards, and reporting.

3.5. Progress Monitoring

Submit monthly or weekly progress reports to NEC leadership.

4. Deliverables

- Inception Report
- Needs Assessment Report
- Custom Financial Management System (configured and deployed)
- System User and Admin Manuals
- Finance Process and Role Structure Matrix

- Training Sessions (On the job trainings)
- Final Handover Package including source code

5. Consultant/Firm Qualifications

- Advanced degree in Finance or ICT
- Proven track record with electoral commissions or equivalent institutions.
- Demonstrated capacity to lead Needs Assessment Missions (NAM), develop finance manuals, and customize accounting software.
- Experience in developing and customization with accounting softwares/systems
- Familiarity with non-profit finance systems
- Strong oral and written communication skills.
- A clear understanding of public institutions and their administrative structures.
- Strong interpersonal skills.
- Strong coordination skills.

6. Proposal Submission Requirements

- Technical Proposal
- CVs of core experts
- Two reference letters
- Valid registration certificate
- Financial proposal
- Track records

7. Proposal Evaluation and Scoring Matrix

Evaluation Criteria	Description	Weight (Points)
Understanding of NEC Context	Understanding NEC workflows and financial structure.	15
Technical Approach & Methodology	Clear, realistic workplan aligned to timeline.	20
Firm Experience	Demonstrated experience in similar assignments.	15
Qualifications of Key Experts	Relevant academic and technical background and relevant experience	15
System Demonstration Capability	Ability to demonstrate related system or prototype.	20
Training Strategy	Clear plan for HQ and regional training sessions.	5
Cost Proposal	Reasonable pricing aligned to scope.	10
TOTAL		**100%**

8. Submission Email Addresses

Send all proposals and supporting documents to the following emails:

Primary Email (Official NEC Submissions):

procurementnec6@gmail.com

Secondary Email (Technical and Clarifications):

- chairmanmusa@slnec.com
- fadumoismail30@gmail.com
- saeedmosman11@gmail.com
- timacade463@gmail.com

Copy (CC) for Oversight and Coordination

- dg@slnec.com

Subject Line Format:

"Proposal–NEC Financial Management System – [Firm Name]"

Attachments Required:

- Technical Proposal
- Financial Proposal
- CVs of Core Experts
- Track Records
- Registration Certificate
- Two Reference Letters

All documents must be submitted in **PDF format**.