

Highlights of Bank of Ghana Risk Management Directive, 2021

Factsheet for Chief Risk Officers

The Bank of Ghana (BoG) has introduced a draft Risk Management Directive as part of measures to ensure stability in the Ghanaian banking industry. This directive applies to Banks, Savings and Loans Companies, Finance House and Financial Holding Companies (FHC) licensed or registered under Act 930.



Regulated Financial Institutions (RFIs) are mandated to submit a copy of its approved Risk Management Framework to the BoG not later than one hundred and eighty (180) days after the publication of the Risk Management Directive.

Risk Management Framework

An RFI shall develop and maintain a risk management framework that is appropriate to the size, business mix and complexity of the institution as well as maintain a Board-approved risk appetite statement.

Cyber Security Strategy

In defining the risk universe, a regulated financial institution should at a minimum outline at part of its risk management strategy the approach to managing cyber security risk.

Risk Management Strategy

The risk management framework shall at a minimum include a risk management strategy to guide its operations.

Recovery and Resolution Planning

There should be a process for establishing and maintaining appropriate contingency arrangements including robust and credible recovery plans where warranted.

Risk Universe

There shall be a Risk Management Strategy (RMS) approved by the Board with a core component being the Board's articulation of the Risk Universe.

Risk Model Validation

A regulated financial institution should have a process for the validation and approval of any models used to measure risk.

Internal Capital Adequacy Assessment Process (ICAAP)

The risk management framework of an RFI shall at a minimum include a capital adequacy assessment process.

Risk Management Declaration

The Board of an RFI shall make an annual declaration on the risk management of the RFI to BoG and in its annual report and/or website (risk management declaration).

Interest Rate Risk in the Banking Book (IRRBB)

A regulated financial institution should at a minimum outline at part of its risk management strategy the approach to managing interest rate risk in the banking book.

Review of Risk Management Framework

An RFI's risk management framework shall be subject to a comprehensive review by operationally independent, well trained and competent persons (this may include external consultants) at least once every three (3) years.



How can Deloitte help?

ERM Assessment and Implementation

Assist in assessing, developing and implementing an enterprise risk management (ERM) framework to ensure an integrated, consistent and efficient risk management, reporting and monitoring process within an organisation.

ICAAP and ILAAP

Develop an Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) to enhance the capital and liquidity management process of financial institutions in line with Bank of Ghana requirements, Basel and leading practice frameworks.

Model Validation

Assist in performing in-depth validation of the assumptions and methodology of risk models to improve their accuracy.

Stress testing

Assist in developing an automated stress test model to help determine impact of scenarios on capital, credit, operational, market and liquidity risk.

Recovery and Resolution Planning

Assist banks identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for recovery or orderly wind down should such events occur.

Regulatory Strategy

Perform impact assessment and developing implementation roadmap for new regulations

Cybersecurity Strategy

Assist banks reinforce their cybersecurity framework against increased the increased cyber attacks, conduct vulnerability assessment and penetration testing and offer solution on how to close gaps

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