

## **GOVERNMENT OF BALOCHISTAN**

### **BALOCHISTAN INTEGRATED WATER RESOURCE MANAGEMENT AND DEVELOPMENT PROJECT (BIWRMDP)**

#### **Terms of Reference and Scope of Services**

##### **Consulting Services – Financial Management Specialist for PMU**

#### **Background**

Water situation in Balochistan is acute as a whole. Balochistan often faces severe drought conditions and water availability is drastically reduced during extended droughts which lead to high marginality in income and livelihood means. The storage facilities are inadequate for both surface and ground water and the poor conditions of canal and water structures require urgent rehabilitation and regular maintenance. The lack of adequate water storage capacities, flood retention areas as well as flood protection embankments led to the experience of high damages. Urgent efforts and investments are required for rehabilitation of its water infrastructure, water conservation and retention of flood water.

Government of Islamic Republic of Pakistan, represented by the Government of Balochistan (GoB), is expecting a credit of US\$ 200 million from the International Development Association (IDA) towards the cost of Balochistan Integrated Water Resources Management and Development Project and intends to apply part of the funds to cover eligible payments under the exclusive contract for hiring services of a Financial Management Specialist.

#### **Specific Tasks and Responsibilities**

The Financial Management Specialist will report to Project Director.

##### **Budgeting and Planning**

- Support the project team in preparing annual financial work plan of the project.
- In accordance with Government of Balochistan budgeting rules and regulations, prepare annual budget estimates and revised budget estimates based on Work Plan/Cash Plan. Submit the budget estimates to Planning and Development Department for inclusion in Balochistan Public Sector Development Program of the relevant year. Follow-up for the release of approved budget.
- Upload annual budget on National FMIS and prepare monthly monitoring reports comparing actual expenditure against the budget. Highlight weak performing areas for attention of Project Director.
- Prepare annual and quarterly disbursement forecasts for all components of the project in line with project's procurement plan and Work Plan/Cash Plan.

##### **Funds Management**

- Prepare cash forecasts on quarterly basis in coordination with the project team and submit to World Bank for advance and replenishment of advance.
- Prepare and process withdrawal application in accordance with the Bank's Disbursement Guidelines
- Track funds and follow up with National Bank of Pakistan and the World Bank to ensure timely credit of funds into the projects' assignment accounts.
- Make arrangement with commercial banks to provide communities with banking services and facilitate communities in opening bank accounts in the designated commercial banks in accordance with the designed fiduciary guidelines.

- Ensure appropriate measures for refund of funds to World Bank (if required).
- Prepare necessary documentation and liaison with relevant department for closure of project account after closing date or grace period, whichever is later.

### **Expenditure/Payment Processing**

- Ensure compliance with internal control framework (*Operations Manual, Financial Management Manual, SOPs and the Bank's fiduciary guidelines etc.*) and government rules and procedures while processing payments.
- Analyze, plan, design, implement, and monitor a system to augment internal controls in line with best practices in the process of payment and expenditure management.
- Apply pre-audit checks on all payments before payment from the assignment account(s) including budget availability, sanction of competent authority and compliance with applicable financial rules & regulations.
- Ensure that No Objection Letter (NOL) is obtained from the Bank for every prior review activity before processing any payment.
- Ensure that only eligible payments are forwarded for Project Director's approval and drawing funds from the assignment account.
- Manage financial aspects of the contracts under implementation, including payment terms, purchase orders and variation orders.

### **Accounting and Record Management**

- Record all transactions timely and accurately in the books of accounts (*both in Pak Rupees and US\$*) and ensure that no expenditure remained unaccounted.
- Maintain accounts on cash basis as per government accounting procedure i.e. New Accounting Model and CGA's approved Financial Management Manual.
- Maintain PIFRA SAP R/3 (National FMIS) software and work to integrate BIWRMDP in the National FMIS as per legal requirements
- Oversee the process of entering transaction level data in National FMIS and generating vouchers from the system
- Ensure up-to-date maintenance of adequate registers, books of accounts and records in appropriate order and format to meet the government and donors' requirements and to facilitate classification and analyzing the financial information for monitoring the projects progress.
- Prepare supplementary record which provides timely and up-to-date financial information of civil works and consultancies.
- Maintain imprest of petty cash and ensure maintenance of separate petty cash book and petty cash vouchers and compliance with petty cash SOPs approved by the World Bank.
- Prepare monthly bank reconciliation statements of assignment account(s) both in Pak Rupee and US\$.
- Reconcile the expenditure on government prescribed format with Accountant General, Balochistan on monthly basis.
- Prepare and process monthly payroll and submit to Project Director for approval prior to making any payment under salaries. Ensure proper payroll controls are applied and the payments are made directly in the Bank accounts.
- Ensure that the fixed assets records are maintained for both the projects identifying location and user of each asset and arrange for the annual and periodical inventory of the assets and updating of the records.
- Ensure safe custody of all financial records for review by Bank Missions, third party monitoring agents; and external & internal auditors.

### **Financial Reporting**

- Prepare Quarterly Financial Summaries and submit to Project Director and the World Bank in time for review and approval.
- Prepare annual financial statements as per Cash Basis IPSAS and submit to the Auditors within two months of the close of the financial year.
- Prepare periodic financial reports specified under the under Legal Agreement or recommended by the World Bank.
- Capacity building of financial management staff through a systematic in-house training program that needs to be designed within 4 weeks of induction as the Financial Management Specialist.
- Ensure that all government financial reporting requirements are complied with, specifically:
  - a. Schedule of Cheques prepared and submitted to Project Director for onward submission to Accountant General, Balochistan.
  - b. Monthly financial reports to AG Office and regular/ timely reporting in SAP (ensure timely reconciliation).
  - c. Statement of Receipts and Payment as per CoA prepared and submitted to Project Director.
  - d. Grant Disbursement Estimates (Budget and Revised) on EAD format submitted to Project Director for onward submission to EAD.

### **Community Contracting**

- Design fiduciary guidelines in coordination with Procurement Specialist for transfer of funds to the communities and submit to the Bank for clearance.
- Arrange trainings for communities and project support staff on implementation of the fiduciary guidelines on community contracting.
- Undertake periodic reviews to review financial management arrangements at the communities.
- Facilitate communities in best possible way during the course of implementation of fiduciary guidelines. Particularly in opening of bank accounts of communities, maintaining adequate and up-to-date books of accounts as specified in fiduciary guidelines.
- Ensure that the communities' funds requirements are included in approved plan and that expenditures incurred by the communities are in accordance with the approved plan.
- Ensure that the communities timely and accurately submit periodic reports.

### **Internal Controls:**

- Suggest strengthening of internal control practices towards *Institutional strengthening*.

### **Audit**

- Make arrangements for timely initiation and completion audit of projects and ensure that report produced is in compliance with audit requirements of the Government and the World Bank.
- Ensure the projects are adequately reflected in audit plan issued by DG Balochistan and that internal audit is periodically conducted in accordance with the internal audit plan.
- Cooperating with World Bank, Government and other partners to improve project financial management, particularly in terms of following up the action points agreed in the project legal documents, during the World Bank supervision missions, Aide Memoires and the recommendations of external auditors and internal auditors.
- Attend entry and exit meetings with external auditors along with Project Director, facilitate timely completion of audits by arranging timely submission of annual financial statement in appropriate format, supply of information and documents responding to queries, initiate actions for holding tripartite meetings and coordinating with various units of PMU in meeting audit objections.
- Prepare annotated replies or working papers on audit observations raised by external auditors and arrange to convene Departmental Accounts Committee (DAC) meeting to settle the audit observations to the extent legally and logically possible.
- Assistance in providing documentation and advice for internal and external audits.

**Qualification & Experience:**

- An accounting degree preferably CA – 5 years of post-qualification experience or ACCA/ACMA with 7 years of post-qualification experience, M.com/MBA (Finance) - 10 years of relevant experience.
- Knowledge of fund accounting, financial management of large major donor cooperative agreements.
- At least 5 years' experience managing funds for development projects (World Bank funded projects experience will be preferred).
- Experience of implementing financial control systems at field level.
- Experience of working with Finance Department/Division, Auditor General of Pakistan Office, Office of Accountant General and Planning Department/Commission will be preferred.

**Skills:**

- Able to computerize all the financial systems of the PMU with the assistance of Computer Programmer and use the computerized system for finance management.
- Excellent management, organizational and communications skills.
- Pro-active financial manager with risk assessment aptitude.
- High level of reliability, objectivity and honesty.
- Ability to work under pressure and under difficult conditions.
- Excellent English and Urdu communication skills required; knowledge of local languages is a plus.
- Willing to travel to the field project sites for financial monitoring of the PMU supported projects.

**Time frame of Consultancy**

The services of the Consultant will initially be acquired for one year but likely to be extended as per requirement of the project.

**Selection Process:**

Consultants will be selected in accordance with the procedures set out in Section V of the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers [January 2011 (Revised July 2014)] ("Consultant Guidelines").