

Bangladesh Rural Water Supply and Sanitation Project
Terms of Reference (TOR) for
Sr. Financial Management Specialist, Consultant

1.1 Responsibility of Sr. Financial Management Specialist

DPHE, under the Ministry of Local Government, Rural Development and Cooperatives (MLGRD&C), is the Implementing Agency, with overall project Management provided by the PMU, headed by a Project Director. The PMU is mandated to manage the project in keeping with the borrower's obligation to use the project fund with due regard to economy and efficiency and only for the purpose for which project financing is provided.

The overall responsibility of the Financial Management Specialist, hereinafter referred to as the FMS, for Bangladesh Rural Water Supply and Sanitation Project is multifaceted. This will cover, but will not be restricted to, ensuring proper implementation of financial activities at field level in selected rural areas, overseeing overall financial management related to procurement and contract management, preparing budget and tracking its judicious execution, advising project management authority on the various financial management related issues arising out of day to day implementation of the project and on the areas of rural piped-water supply planning and implementation and ensuring thorough documentation of all financial information pertaining to contracts and procurement related to subproject implementation. S/he will work under the guidance of the Project Director maintaining liaison with the consulting firm(s).

1.2 Key functions of the Financial Specialist (FS-PPWS):

1.2.1 Develop Financial Management Manual. Prepare a financial management manual that would be embodied in the Operational Manual for the project. The FM manual would include authorities and responsibilities of project staff in respect of various segments of FM functions, book keeping and financial statements processing procedures of fund flow arrangements, budgeting and forecasting requirements, IDA Designated Account operation procedures including details regarding - advance requests and forecast of expenditure-, accounting and reporting requirements of various GOB agencies and IDA, formats of vouchers, registers and reports, a comprehensive chart of accounts to capture all requisite information, outline of a computerized accounting system to generate timely and accurate financial statements and reports, accounting policies, , internal audit and internal control arrangements, external audit interface and compliance arrangements.

1.2.2 Develop Chart of Accounts. The FMS will develop a comprehensive Chart of Accounts for the project to capture financial data under (i) GOB code of accounts; (ii) DPHE's heads of computerized accounting system; (iii) Project components and sub-components; and (iv) World Bank disbursement categories for the project so as to enable the computerized system to classify and group financial data for the various financial reports as required by IDA and various GOB agencies.

1.2.3 Maintain Books of Accounts. While it is expected that the project books of accounts will be maintained by other project accounting staff, the FMS will be

responsible for ensuring maintenance of adequate registers, books and records in appropriate order to meet the statutory requirements of stakeholders and to facilitate classification and analyzing the financial information for monitoring the project progress.

1.2.4 Prepare Budget. The FMS will assist the Project Director in preparing the project budget on the basis of approved procurement plan and implementation plan in consultation with DPHE's planning division and various other units involved in project implementation. S/he will assist the Project Director in submitting the original and revised budget to the planning wing of the Local Government Division for obtaining Planning Commission's approval under Annual Development plan (ADP) and revised ADP. He will also ensure that the budgeting system is integrated with the accounting system to enable comparison of actual performance against budgets.

He will assist the Project Director to ascertain whether the expenditures within the budget and whether there exists any variance. In case of existence of any variance the FMS needs to provide valid justification for the same.. The FMS will provide variance analysis as part of the quarterly Interim Financial Reports (IFRs). He/she will also have to provide some standard ratio analysis and taxation accounting (VAT, TAX, CD VAT etc).

1.2.5 Prepare Disbursement Plan. The FMS with the assistance of project accounting staff and in consultation with other staff involved in project implementation, would prepare the annual, six monthly and quarterly disbursement forecasts for all components of the project in line with the project's procurement and implementation plan and get it approved by the PD for the purpose of using it in the preparation of the cash forecasts as a part of the quarterly financial report for disbursement.

1.2.6 Support to Fund Management The FMS would assist the PD and the DPHE in obtaining quarterly fund release for GOB allocated fund and requisite government approval for use of IDA fund ensuring proper use of funds for the project activities, managing IDA fund including operation of the designated account, requesting advance, monitoring timely preparation of Bank Reconciliation Statements and initiating and responding to all fund and Bank related correspondence with GOB and IDA.

1.2.7 Support for Processing of Payment. The FMS will ensure appropriate continuous arrangement in place for smooth processing, approval and payments of bills for procurement of goods, works and services for the project from all sources of funds complying with relevant GOB/IDA rules, maintaining requisite files, records and books, following proper internal control and safeguard measures.

1.2.8 Establish Computerized Accounting System. The FMS will interact with accounting firm that will develop and implement a Computerized Accounting System (CAS) in DPHE for adopting the system for the project. The FMS would be fully conversant with the system and train up other accounting staff of the project in its operation and be responsible for keeping it functioning. The FMS will arrange to maintain the books of accounts and meet the financial reporting requirements using an MS Excel based system until the computerized system is fully functional.

1.2.9 Maintain Fixed Asset Records. The FMS will ensure that computerized fixed assets records are maintained in the PMU identifying location and user of each asset and arrange for the annual and/or periodical inventory of the assets and updating of the records.

1.2.10 Prepare Financial Statements and Reports for IDA as well as GOB. The FMS will ensure that the annual financial statements and other monthly and quarterly reports as specified under the GOB Project Accounting Manual and Interim Financial Reports (IFRs) as required under the Financing Agreement are accurately prepared and timely submitted. The FMS will carry out thorough scrutinization of procurement plans developed by the Project Authority in order to prepare a pragmatic cash forecast for 2 quarters while preparing the IFRs. The FMS will ensure that accurate Interim Financial Reports (IFRs) are produced on a quarterly basis showing project progress in respect to all the components/categories and submitted to IDA within 45 days from the end of each quarter.

1.2.11 Review financial analysis and tariff aspects of Rural Piped Water Supply schemes. The Financial Management Specialist will assist the PMU in reviewing the feasibility studies, particularly the financial analysis prepared by the consultants to bring private sector participation in the design, construction, operation and maintenance of piped water supply systems in selected rural areas, and provide feedback to Project Director and concerned officer of PMUs.

1.2.12 Interface with external and internal auditors. The FMS will take initiatives in consultation with IDA to finalize the TOR for Operational Audit (internal audit) which would be conducted throughout the project by an external audit firm. The FMS will also attend entry and exit meetings with FAPAD auditors, facilitate timely completion of external audits by arranging timely submission of annual financial statement in appropriate format, provide information and documents, respond to queries, initiate actions for holding tripartite meetings and coordinate with various units of DPHE in resolving audit observations. The FMS will assist the PD in publishing the project audit reports (external) in the project website.

Comment [hec1]: DELETED

Comment [hec2]: It is taken care of in the section of Audit Committee.

1.2.13 Cooperation in follow-up action by Audit Committee. As one of the key focal persons of the Project's Financial Management, the FMS will extend necessary cooperation to the Project Audit Committee (PAC) which will be constituted under the Chairmanship of the Deputy Secretary (Audit), LGD, the FMS and the Project Director as members. He/She will assist the PAC in reviewing the audit reports (internal and external), carrying out its proceedings and making necessary recommendations to address the issues identified in the audit reports. .

1.2.14 Training the Project Accounting Staff. The FMS will provide hands on training to the accounting staff on various aspects of financial management tasks under a structured training plan.

1.2.15 Special/Additional Assignments. The FMs will participate in Project Procurement/Tender Committee meetings and activities; assist/advise the PD in all financial matters as and when required. S/he will critically review the financial analysis of the proposed Piped-Water Supply schemes and provide expert opinion in the evaluation of the financial viability of the schemes.

1.3. Key Qualifications of the Sr. Financial Management Specialist:

1.3.1 Professional Accountant Preferably a Chartered Accountant (CA)/Chartered Management Accountant(CMA)/Masters in Business Administration (MBA) with Master/Bachelor degree in Accounting/ Finance

- 1.3.2 Fifteen years experience in financial management of which at least five years in a managerial position in any government / semi government organization being actively involved and fully conversant with large contract payments, GOB budget, fund release and reporting formalities, knowledge regarding rules and regulations for budgeting, accounting, financial reporting and auditing of World Bank's/ other donor's fund operating conditions & reporting requirements.
- 1.3.3 Fully conversant and with hands on experience in Microsoft or similar computerized Accounting System with the ability to assist in implementation and customization; Skills in software installation and troubleshooting will be added advantages.
- 1.3.4 In depth knowledge and hands on experience in Tariff Setting and Restructuring including the financial viability of the scheme.
- 1.3.5 Proven track record of developing Chart of Accounts befitting the relevant computerized accounting system and the reporting system
- 1.3.6 Experience in working with Public Private Partnership model
- 1.3.7 Ability to impart training to the project staff on financial management system
- 1.3.8 Ability in computer operation;
- 1.3.9 Knowledge on MIS, Tax, tariff and multi disciplinary fund management
- 1.3.10 Capacity to work in a multi-disciplinary team environment
- 1.3.11 Competence in writing relevant reports
- 1.3.12 Proficiency in both oral and written English
- 1.3.13 Maximum age will be 60 years

Comment [w3]: We believe that this would be too rigid in terms of specific experience in PPP within water supply sector. Only PPP is enough.

Comment [w4]: Age bar need not be imposed. Consider deletion. It is better to keep it open.

1.4 Duration of the Assignment. The duration of the assignment will be for thirty six months or up to project completion. However, the contract will be signed after the project is approved by ECNEC.

1.5 Remuneration

The Sr. Financial Management Specialist will be paid a negotiable consolidated remuneration inclusive of all applicable Taxes & VAT as per law of Bangladesh. Payment shall be made on monthly basis upon satisfactory performance output certified by the **Project Director**

Comment [hec5]: These should not be part of the TOR.