**Terms of Reference**

**For Consulting Services of Financial Management Specialist**

# BACKGROUND

Government of Nepal (GoN) under the subsidised loan of International Development Association ("World Bank") is implementing Youth Employment Transformation Initiative Project (herein after referred as Project). Ministry of Labour, Employment and Social Security (MoLESS) has established Project Management Unit (PMU) at Prime Minister Employment Programme (PMEP) to coordinate and implement the project activities. PMEP is the GoN’s national flagship programme guaranteeing the minimum 100 days of employment to the registered unemployed. The project supports PMEP to improve the outcome of employment support services and labour market.

The consultant delivers sound financial management practice, prepare and consolidate financial information and analyse the details of conditional grants as per the Project Appraisal Document (PAD). The PMU is hiring a Financial Management Consultant (FMC) to support the project financial reporting and to engage in coordination, supporting all cost centres and to undertake the overall management of financial activities of the project and PMEP.

# OBJECTIVE OF THE CONSULTANCY SERVICES

Under the direct supervision of National Project Director, the overall objective of the consultant is to support, coordinate and manage financial functions and manage fiduciary risks.

The Consultant works in close coordination with the Component Managers and the Finance-in-Charge of the MoLESS for the day to day operation of the project.

# TASKS, DUTIES & RESPONSIBILITIES OF THE CONSULTANT

The Consultant shall perform, but not limited to, the following duties / tasks:

* Support in undertaking overall financial management functions in respect to the project and PMEP. This includes budgeting, expenditure tracking, reporting and assuring fiduciary risk management,
* Undertake financial management assessment for operations and ensures the ongoing project operations are in line with budgeting, internal control, financial reporting, auditing and also update the information in the WB portals,
* Monitor expenditures of PMU and local level to ensure compliance of applicable procedures and recommend required additional internal control procedures based on financial management risk assessment.
* Prepare statement of expenditure with item-wise details and segregation of costs for the periodic internal and external audit purpose. This includes a periodic reconciliation of accounts with the details of FCGO,
* Support the project and PMEP in formulating annual work plan and budget,
* Provide training, guidance and advice on financial management aspects to the PMU, ESCs and local levels,
* Prepare and support in submitting withdrawal applications to the World Bank,
* Liaise with local level and MoLESS to generate financial expenditure reports, covering all project components as required by the WB and GoN,
* Follow-up fund transfer requested in the WB to the Designated Account for reimbursement and replenishment,
* Liaise with auditors for annual audit of the project, respond to audit observations, arrange meeting and ensure that audited financial statements are submitted to the World Bank timelt,
* Ensure that 754 cost centres’ expenditures are consolidated in time and reflected in the project accounts and assist the PMU to submit the financial reports to the World Bank,
* Develop financial and documentation process and support PMU and local levels in implementing the internal control system,
* Prepare Interim Unaudited Financial Reports (IUFRs), Implementation Progress Reports, Financial Progress Reports and Project Financial Statements, as required by GON and the World Bank considering approved guidelines,
* Support the National Project Director in liaising with Ministry of Finance, Financial Comptroller General Office, Office of Auditor General, District Treasury Controller Office, the World Bank, and other related organization as required,
* Assist and advise finance perspective on procurement related documents,
* The consultant shall undertake any other duties related to the project financial management as assigned by the NPD / PMU,

# DELIVERABLES AND REPORTINGS

The Consultant shall require submitting monthly work plan and reports within the tentative framework of the following Work-Plan and Duties & Responsibilities.

|  |  |  |  |
| --- | --- | --- | --- |
| **S.N.** | **Details** | **Frequency** | **Deliverable** |
| 1. | Support in Annual Work Plan and Budget | Once in a year | Report |
| 2 | Quadrimester Financial Monitoring Reports (FMRs) and Review | 3 times in a year | Report |
| 3 | Half-yearly Financial and Operational Review.  Compliance Review | Once in a year | Report |
| 4 | Monthly Financial Report | Every month | Report |
| 5 | Training | As required | Report |
| 6 | Support in regular operation | As required |  |
| 7 | Development of financial manual and procedural document | As required | Report |
| 8 | Liaison with WB and local levels | Regular |  |
| 9 | On the spot review of financial practices in local level | As required | Report |
| 10 | Prepare and submit financial reports to WB withdrawal request. | When needed |  |
| 11 | Fiduciary Risk Assessment | Ongoing |  |
| 12 | Others | As requested, |  |

# DURATION OF THE CONSULTANCY SERVICES

* Duration of the consultancy services is 30 (Thirty) month starting from tentatively Jan 2, 2022 or before.
* The contract shall be issued yearly upon satisfactory performance.
* The contract shall be terminated if the project does not need the consultant's service or unsatisfactory performance as evaluated by the Project and or its authorized agency.
* The contract shall be terminated at any time if the required terms and standards are not followed.
* The consultant shall be based at the PMU and visits local levels periodically as agreed by NPD.

# QUALIFICATION AND EXPERIENCE OF THE CONSULTANT:

* A professional accountancy qualification (CPA, CA or equivalent membership of an internationally recognized accounting institute / agency)

OR

Master’s degree in accounting, business, finance, economics and or related field with at least 5 years of post-professional qualification experience in government auditing or government financial management.

* At least 10 years of experience in financial management and auditing.
* Knowledge of Government of Nepal’s accounting principles and standards.
* Familiarity of public financial management and accountability in the public sector.
* Prior experience in managing client connection, operation of designated account of World bank is preferred.
* A demonstrated ability to solve complex tasks in a creative manner.
* Strong interpersonal skills and an ability to work effectively with internal/external agencies are essential;
* Proficiency in both written and spoken English and Nepali is necessary.

# REMUNERATION AND LOGISTIC SUPPORT TO THE CONSULTANT

The consultant shall be provided the following remuneration and logistic support:

* Monthly remuneration as negotiated at the selection process;
* The price escalation is applicable to this consulting service as per the salary index or equivalent of Nepal Rastra Bank.
* Annual progression of salary may be applied; depending upon the successful annual performance review.
* The Consultant shall submit the invoice monthly together with timesheet and the obligatory reports as mentioned in subsequent Para “4”; certified by the respective NPD/NPM or his/her authorized representative.

# SELECTION PROCEDURE OF THE CONSULTANT:

A Consultant will be selected in accordance with The World Bank's Procurement Regulations for IPF Borrowers: Procurement in Investment Project Financing Goods, Works, Non-Consulting and Consulting Services, July 2016 (Revised November 2020), Section VII: Approved Selection Methods Consulting Services/ "Open Competitive Selection of Individual Consultants, set out in Regulations. The selection criteria shall include:

1. Qualification
2. Experience
3. Experience of assessing / strengthening
4. Knowledge of financial management systems, internal control systems, auditing competence and independence, preparing financial statements and budgeting
5. Knowledge of languages, presentation and report writing skills.

# ADMINISTRATION OF THE CONSULTANT's SERVICES

The Consultant shall be based in PMEP Kathmandu with necessary field visit to local levels. The Consultant's services will be administered and monitored by the NPD or his authorized representative.

# 11. TAXATION

The Consultant is fully responsible to pay taxes imposed by Government of Nepal. The individual should have registered for the Value Added Tax (VAT). The project shall deduct the applicable taxes at source.

# 12. CONTRACT AGREEMENT

The Consultant shall be required to enter into an agreement with the Project on time-based contract.