

**Government of the People’s Republic of Bangladesh**  
**Local Government Engineering Department**  
**Program for Supporting Rural Bridges (SupRB)**

**Terms of Reference (ToR)**

**for**

**Financial Management Specialist**

**1. BACKGROUND**

The Government of Bangladesh has received a loan from the World Bank (WB) toward the cost of the program titled “Program for Supporting Rural Bridges (SupRB)”. The program will be implemented by the Local Government Engineering Department (LGED) through the Project Director’s Office (PMU) and contract administration of civil works will be carried out by LGED District/Upazila offices. The program will be implemented in total 61 districts out of 64 districts of the country, except three hill districts at a cost of USD\$614million.

The program Components include (i) Major and minor maintenance of 85,000 meters of bridges, rehabilitation of 24,000 meters of bridges, Capacity Expansion (Widened) of 5000 meters of rural bridges, replacement or newly construction of 20,000 meters of bridges, technical, fiduciary, procurement, social and environmental capacity improvement of LGED including design and implementation of climate resilient bridges and establishment and operationalize of Grievance Redress System (GRS). This program will provide continuous connectivity between agricultural production areas, growth center and rural markets located in the program area and enhance earnings opportunities creating uninterrupted access to the commercial institution and basic services like health and education of the rural poor. The impact of the program will be reduced poverty in the intervention area.

To support financial activities of the program, one Financial Specialist will be hired as individual consultant.

**2. Objective of the Assignment**

The Program has two parts. Part-A is Program for Results (PforR) (USD-393million) and Part-B is Investment Program Financing (IPF) (USD-32 million). PforR is output based and will be linked to the achievement of the Disbursement Linked Indicators (DLI). Program funds for Part-A (PforR) will be directly disbursed to the government treasury upon achievement and verification of results. The controller General of Accounts (CGA) will be responsible for maintaining the program accounts and reporting through iBAS / iBAS++ systems. Program funds for Part-B (IPF) will be directly disbursed to impressed account and report-based disbursements using interim unaudited financial reports will serve as basic withdrawal of funds from the IDA credit.

Borrower's ability to implement a program successfully fulfilling the fiduciary requirements of the various stakeholders are affected largely by the adequacy and quality of the financial management (FM) system used in the program implementation. To attain and maintain the quality and effectiveness of the FM system, the existence of a structured organization for financial management functions in the PMU is inevitable, having in place, staff with adequate qualifications and appropriate experiences with clearly defined authorities and responsibilities.

LGED has accounting staffs that are program based and on completion of a program, the accounting staffs can be reassigned to a new program. The FM capacity of LGED needs to be supplemented for the robust supervision and monitoring of the program financial management, by putting in place an FM Specialist having adequate qualification with appropriate skills to handle financial management aspects of the program. As one of the key staff of the program, the Financial Management Specialist (FMS) will be appointed as the lead person of the Finance Section of the PMU to ensure fiduciary safeguards while facilitating the financial management support to implementation of all the components of the program, following the World Bank guidelines and government rules and procedures.

### **3. Scope of Services**

The scope of the assignment typically includes, but not be limited to, the following:

- 3.1 **Financial Management Manual:** Prepare a financial management manual for the program. The FM manual would include authorities and responsibilities of program staffs in respect of various segments of FM functions, recording and processing procedures for payments, fund flow arrangements, budgeting and forecasting requirements, IDA Special Account operation procedures including details regarding replenishment and documentation requests, 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, fund flow and book keeping and reporting procedures, internal audit and internal control arrangements, external audit interface and compliance arrangements.
- 3.2 **Budgeting:** Assist the Project Director (PD) in preparation of annual budget estimates conforming with the DPP allocations and adjustments/revised allocation/budget and prepare financial plan complying the approved budget line. The FMS will assist PD in preparation of the program budget in consultation with the other sections of the PMU under a structured budget preparation process, on the basis of approved procurement plan and implementation plan and will undertake the due diligence in preparing realistic budget. The FMS will assist 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. The FMS will see that the budgeting

system is integrated with the accounting system to enable comparison of actual performance with budgets.

The FMS will assist the PD in ensuring that expenditures are made within the budget and any variance has a valid justification and duly authorized including tracking of variances and will provide a variance analysis as part of the quarterly Interim Un-audited Financial Reports (IFRs).

- 3.3 **Development of a Chart of Accounts:** The FMS will develop a comprehensive Chart of Accounts with due cognizance to the DPP (Development Project Proposal approved by the Planning commission) for the program to capture financial data under (i) GOB code of accounts (ii) Program components and sub-components (iii) World-Bank disbursement categories for the program 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.
- 3.4 **Computerized Accounting System:** The FMS would require to acquire wisdom and demonstrate expertise in the use of Computerized Accounting System (CAS) and Unified Financial Management System (UFMS) and their reporting, data backup and safe on site/off site data filing system FMS would also train up other program accounting staff in the UFMS operation and be responsible for keeping it ongoing. The FMS will take initiative for adopting and upgrading the Uniform Financial Management System (UFMS) of the LGED along with IT Consultants. The FMS will arrange to maintain the books and meet the financial reporting requirements using an MS Excel based system until a computerized system is functional.
- 3.5 **Disbursement Plan:** FMS will assist the PD in preparation of annual and quarterly disbursement forecasts for all components of the program in line with program's procurement and implementation plan and analyze the reasons for variances between actual and forecast disbursements. The FMS would review the disbursement plan each quarter and adjust it on the basis of ground reality. The FMS will analyze the relationship between financial and physical progress and identify the reason for any abnormalities.
- 3.6 **Fund Management :** FMS would assist the PD and the PMU in obtaining quarterly fund release for GOB allocated fund and requisite government authorization for use of IDA fund and ensure timely availability of IDA funds for all program transactions including approved bills of program districts , managing IDA fund including operation of a designated account including preparing two quarters' forecast fund requirements, arrange timely replenishment and documentation through submission of SOEs/ Reports and process special commitments and direct payments , monitor timely preparation of Bank Reconciliation Statements and

initiate and respond to all fund and bank related correspondence with GOB and IDA.

- 3.7 FMS will ensure submission of quarterly report to the PD on the mobilization advances, status on performance bank guarantees and their date of extension etc, and increase/revision in the value of packages awarded if any during program implementations.
- 3.8 The FMS will exercise due diligence of payment which made from the 61 districts XEN office. FMS will visit implementing XEN offices as needed to test the supporting vouchers and field reports against packages payments.
- 3.9 **Processing Payments:** Ensure appropriate continuous arrangement in place for smooth processing, approval and payments of bills for procurement of goods, works and services for the PMU from all sources of funds complying relevant GOB/IDA rules, maintaining requisites files, records and books, following internal control and safeguard measures. The FMS will ensure that due diligence was applied in processing each bill/ invoice before one is forwarded for PD's approval and actual disbursements.
- 3.10 **Internal Control:** Ensure that all policies and procedures are in compliance with funding source policies, procedures and requirements and will review the efficacy of internal controls in place and suggest to adopt best practices to improve internal governance and to reduce opportunities for corruption.
- 3.11 **Books and Records:** The FMS will ensure maintenance of the 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 program progress and generating interim and annual financial reports.
- 3.12 **Fixed Assets Record:** Ensure that the computerized fixed assets records are maintained in the PMU identifying location and user of each asset and arrange for the annual and periodical inventory of the assets and updating of the records.
- 3.13 **Preparation of Financial Statements and Reports:** The FMS will ensure that the annual financial statements and other monthly and quarterly reports as specified under the GOB Program Accounting Manual and Interim Un-audited Financial Reports (IFRs) required under the Financing Agreement are accurately prepared and timely submitted. The FMS will make sure of preparing the IFRs including complete information on the district offices under a centralized payment system for IDA financed expenditures and payments through District Accounts Offices for GOB expenditures.

- 3.14 **Financial Disclosure:** The FMS will assist the PD in ensuring that necessary financial information is included in the Program's web site under LGED/ LGD.
- 3.15 **Interface with External Auditors:** The FMS will prepare the Statement of Audit Needs (SAN) to be agreed with the C&AG extending the audit focuses on testing controls preventing corruption and detecting transactions with corrupt practice. The FMS will attend entry and exit meetings with FAPAD auditors, 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. The FMS will assist the PD in publishing the program audit reports in the program website.
- 3.16 **Internal Audit:** The FMS will take initiatives in consultation with IDA to finalize the TOR for internal audit which would be conducted throughout the program by LGED internal Audit Unit. The FMS will provide recommendations to the PD on corrective actions to the issues that would be raised in the Internal Audit Report.
- 3.17 **Cooperation in follow-up action by Audit Committee :** The FMS will provide necessary cooperation to the Audit Committee who will review the audit reports and will assist the AC in carrying out its proceedings and will recommend to the PD the actions required to address directives of the AC.
- 3.18 **Monitoring and Training the Program Accounting Staff:** The FMS will monitor Accounts Officer (s) and other accounting staff of the program and will provide hands on training to the accounting staff on various aspects of financial management tasks under a structured training plan.
- 3.19 **Special Assignments:** Participate in Program Procurement/Tender Committee meetings and activities; assist/advise the PD in all financial matters as and when required, and advise all concerned in complying with the latest income tax and VAT deduction rules and tax certification.

#### **4. Output & Reporting Requirement**

The FMS will be responsible to the Project Director for duly discharging all program FM functions with the assistance of other FM staff in the section. S/he will assist PD to ensure that all FM activities are completed on time to enable the Program to meet the deadlines of various GOB authorities and IDA. The FM shall be responsible for compliance of all financial rules and procedure. The consultant will submit monthly, quarterly and yearly report to the Project Director.

## **5. Duration of the assignment:**

The duration of the assignment will be from January 2019 to December 2022.

## **6. Educational Qualifications and Experiences:**

- A professional accounting qualification (CA, ACCA, CPA, CFA, CMA, CIMA or equivalent) having 10(Ten) year experience in financial management out of which preferably three years in a management position in any government / semi government/ multinational organizations/ donor funded development program, being actively involved and fully conversant with large contract payments, GOB budget and planning procedures, Development Program Proposal fundamentals, rules and regulations of the Government for budgeting, fund release, accounting, financial reporting and auditing and authorization for use of donors' funds.
- Is fully conversant with and have had hands on experience in application software and also in **Computerized Accounting System** with ability to assist in implementation and customization; Skills in software installation and trouble shooting will be added advantages.
- Proven track record of ability to develop a Chart of Accounts with relevance to DPP, Disbursement Categories and Program Components and befitting the relevant computerized accounting system and the reporting.
- Experience in the effective supervision of personnel.
- Self-guided, strong organizational and planning skills with the ability to work independently as a team player and under pressure.
- Strong interpersonal communicative skills, experience in team leadership and participatory management.
- Ability to impart training to the program staff on financial management system.

## **7. Logistics and Facilities provided by Client**

LGED will provide office accommodation and necessary consumables.