

## TERMS OF REFERENCE

### FINANCIAL MANAGEMENT SPECIALIST TO ASSIST THE HEALTH PROJECT MANAGEMENT UNIT OF THE KHYBER PAKHTUNKHWA HUMAN CAPITAL INVESTMENT PROJECT

#### A. BACKGROUND

The Khyber Pakhtunkhwa Human Capital Investment Project (KPHCIP) funded by the World Bank, in collaboration with the Government of Khyber Pakhtunkhwa (GOKP), intends to improve the availability, utilization, and quality of primary healthcare and elementary education services in selected districts of KP. The project targets four original Districts (i.e. Peshawar, Haripur, Nowshera and Swabi) and additional flood hit districts in KP. The Project includes five components:

- Component 1: Improving the Delivery of Quality Primary Health Care Services
- Component 2: Improving Availability and Quality of Education Services
- Component 3: Strengthening Community Engagement and Accountability
- Component 4: Reconstruction/Rehabilitation of Flood affected Healthcare facilities in KP
- Component 5: Contingent Emergency Response Component (CERC)

The project activities include strengthening of infrastructure, equipment, and healthcare commodities (*Component 1*), comprising mainly of primary healthcare facilities (Basic Health Units/Rural Health Centers/Cat-D Hospitals), and rehabilitation of selected primary schools to middle schools (*Component 2*) in selected districts. *Component 3* of the Project is to support community engagement and accountability. *Component 4* of the project is to provide support to the 158 flood affected healthcare facilities in 17 districts of Khyber Pakhtunkhwa. *Component 5* is regarding any future emergency support in Khyber Pakhtunkhwa.

The first two components have sub-components focusing on infrastructure enhancement. Component 1, with its focus on healthcare services, has the following infrastructure requirements: The KPHCIP is seeking the services of an individual consultant to provide assistance to the Procurement Specialist Project Management Unit – Health (PMU-H) of KPHCIP in matters as per Job description.

#### B. OBJECTIVE

The objective of hiring a Financial Management Specialist (FMS) for the Project Management Unit (PMU) of the Khyber Pakhtunkhwa Human Capital Investment Project (KP-HCIP) is to strengthen financial management and ensure effective resource utilization for the project. The FMS will enhance financial oversight, maintain accurate records, and ensure compliance with regulatory standards. By implementing robust financial controls and providing regular financial reports, the FMS will support efficient budgeting, disbursement, and expenditure tracking, contributing to transparency and accountability. This role is essential for achieving KP-HCIP's healthcare objectives, enhancing project sustainability, and aligning government and donor financial management requirements..

#### C. QUALIFICATION & EXPERIENCE:

- An accounting degree preferably CA – 3 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 3 to 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.

#### **D. SPECIFIC TASKS AND RESPONSIBILITIES**

The Financial Management Specialist will report to Project Director.

##### **i. Budgeting and Planning**

- Support the project team in preparing annual financial work plan of the project.
- In accordance with Government of Pakistan 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 Khyber Pakhtunkhwa Annual 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.

##### **ii. 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.
- 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.

##### **iii. 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.

##### **iv. 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 Khyber Pakhtunkhwa Human Capital Investment Project (Health Component) 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 Office 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.

#### **v. 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 Legal Agreement or as 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, Khyber Pakhtunkhwa.
  - b. Monthly financial reports to AG Office/Treasury 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/Loan/Credit Disbursement Estimates (Budget and Revised) on EAD format submitted to Project Director for onward submission to EAD.

**vi. Community Related Payments: (If Applicable)**

- 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.

**vii. Internal Controls:**

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

**viii. 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 of Khyber Pakhtunkhwa and the World Bank.
- Ensure the projects are adequately reflected in audit plan issued by DG Audit Khyber Pakhtunkhwa 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.

**E. REPORTING**

The Individual consultant will report to DPD and PD KPHCIP through proper channel.

#### **F. SELECTION METHODOLOGY**

The Consultant will be selected on limited competition basis as per World Bank Procurement regulation.

#### **G. FACILITIES TO BE PROVIDED BY THE PMU**

Office space and other facilities such as computers will be provided to the consultant/staff as required during the assignment period.