

**TERMS OF REFERENCE
FOR FINANCIAL MANAGEMENT CONSULTANTS
LRSP2 (No: C2-07, C2-08 and C2-09 Component 2)**

BACKGROUND

The Ministry of Public Works and Transport (MPWT) of Lao PDR has received financing support from World Bank and the Nordic Development Fund (NDF) to implement Lao Road Sector Project 2 (LRSP2 or the Project) (March 2017-August 2022), which will support MPWT strengthen its capacity at both central and local levels to manage local road improvement and maintenance. The WB has approved a credit of approximately USD 25 million, and NDF a grant for a Technical Assistance (TA) program amounting to EUR 5 million and a loan not exceeding EUR 6 million to finance the LRSP2. In addition, the Road Maintenance Funds (RMF) will contribute approximately USD 7 million, and the 6 participating provinces also will contribute around USD 3 million to the Project. The European Investment Bank (EIB) has also expressed interest to provide financing support to the implementation of the road local road development program designed under LRSP2.

The Project Development Objective (“PDO”) is to strengthen maintenance systems to improve reliable road connectivity in Lao PDR, and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

LRSP2 consists of four components: (1) Climate Resilient Road Maintenance, (2) Institutional Strengthening, (3) Project Management Support, and (4) Emergency Response.

Under sub-component 2.2, World Bank provide a financing to: (a) improve the integrated road asset management system (IRAM); (b) upgrade and roll out the road sector information and communication technology system including (i) e-archive, (ii) e-procurement, and (iii) information disclosure and citizen engagement; (c) **upgrade the accounting system and expenditure tracking tools in the road sector**; (d) strengthen the internal control systems of provincial road authorities; and (e) strengthen overloading control through the provision of a weighting station on national road NR13 in Bolikhamxay province.

Department of Finance (DoF) intends to recruit three individual consultants (FMCs or the Consultants) for assisting MPWT/DoF in strengthening financial management as per the project procurement plan (the Assignments). The Consultants will be recruited using the Individual Consultant (IC) method following the World Bank’s “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011 and revised in July 2014). The services are described in these TOR.

OBJECTIVES OF THE ASSIGNMENTS

MPWT is in the process of restructuring MPWT to implement a centralized of Planning and Financial Management function which will manage all aspects of financial management for the line departments within the MPWT, DPWTs, and the donors financed projects. On 26 December 2013, National Assembly approved Law on Accounting No. 47/NA which includes the accounting standards for implementing government accounting entities. These standards are prepared in accordance with cash basis of accounting under International Public Sector Accounting Standards and are the basis for preparing to move toward to the accrual basis. In addition, on 31 May 2015,

Minister of Ministry of Finance issued decision No. 900/MoF on approval of the manual for implementing Accounting Standards for Implementing Government Accounting Entities. Since such manual is prepared for all sectors in Lao PDR with space for adjustment for each sector, MPWT recruited three Financial Management Consultants (under LRSP 1) to prepare the manual for MPWT. The manual has been finalized and approved by MPWT. To disseminate and implement the manual, MPWT will hire three Financial Management Consultants under LRSP 2:

- i) Financial Management Consultant- Northern responsible for Northern provinces including DPWTs in Phongsaly, Oudomxay, Borkeo and Luangnatha provinces, and other departments of MPWT;
- ii) Financial Management Consultant- Central responsible for Central provinces including DPWTs in Xayabuly, Huaphanh, Xiengkhuang, Vientiane and Luangprabang provinces, Vientiane Capital, DoF and other departments of MPWT; and
- iii) Financial Management Consultant- Southern responsible for Southern provinces including DPWTs in Bolikhamxay, Khammuane, Savannakhet, Champasack, Saravanh and Attapue provinces, and other departments of MPWT.

The objectives of these assignments are to assist in the implementation of Financial Management Function, Internal Control System (ICS) and procedures developed under the LRSP 2. The FMCs will assist Accounting Division (AD) of DoF to implement the new system and processes which described in the Law on Accounting No. 47/NA. The FMCs will cover the all DPWTs and departments of MPWT. The FMCs will report directly to Director of Accounting Division/DoF, coordinated and supervised by Accounting Division/DoF within MPWT which is responsible for all financial management activities of projects, internal audits, including financial control, financial auditing and disbursement against the project contracts and activities. Duty station is in the office of the AD of DoF in Vientiane Capital.

DETAILED SCOPE OF WORK

The tasks of Consultants will include, but not limited to, assisting MPWT on the following:

- Assist AD/DoF to complete a training needs assessment for MPWT and DPWTs especially for Accounting Division, and financial functions under each department under MPWT and DPWT staff that identifies the current level of financial management expertise, internal audit skills, accounting skills and the key capacity gaps. Where necessary, training program will be designed and provided to address the capacity gaps;
- Assist MPWT and DPWTs in implementing new accounting standards as described in the Law on Accounting No. 47/NA and also assist in implementing the drafted manual of MPWT;
- Assist the AD/DoF and DPWTs with the management of the Project's financial reports, audits, Designated Account, Project Account and Sub Project Accounts which will be set up at central level in the MoF, DoF/MPWT and DPWTs at the provincial level;
- Assist in introduction and implementation of the financial management system in line with internal control system;
- Timely data collection (as a whole PWT sector including MPWT and DPWTs) to ensure timely producing of financial reports by AD/DoF, support function, evaluation and monitoring the implementation of financial management system in line ministry and

- department at provincial level;
- Assist AD/DoF and National Coordination Adviser in providing financial information as input to forecast reports and annual budget plan and also assist in preparation of the Interim Financial Reports (IFRs) and financial statements of LRSP2 and others projects as require;
 - Train financial and technical staffs of DPWTs and assist the AD/DoF, follow up and monitor in period end close accounting procedures;
 - Assist AD/DoF and DPWTs follow up and monitor reconciliation of petty cash, bank accounts, advance and follow up and monitor in budget follow-ups and financial reporting etc;
 - Assist AD/DoF and DPWTs in preparation of monthly reports and accounting records to be consolidated at head office in MPWT;
 - Assist AD/DoF and DPWTs in cash planning and management

EXPERIENCE AND QUALIFICATION REQUIREMENTS

- At least a Bachelor's Degree in Accounting or Finance. Holding a professional qualification such as Lao CPA or other internationally recognized CPA are an asset;
- Relevant financial management skills and experience in the public sector financial management such as produce public sector financial report, cash and advance control, etc;
- At least seven (7) years of working experience in Accounting, Auditing or Finance areas; previous experience on similar assignment with organization/donor projects is an asset.
- Knowledge and experience in government system, rules and regulations in accounting, financial and procurement is an asset;
- Familiarity with infrastructure development projects and ODA finance projects;
- Basic knowledge of World Bank disbursements guidelines and procedures is preferable;
- Familiarity with Government of Lao PDR systems and policies at the national, provincial and district levels;
- High degree of computer literacy, and intermediate to advanced knowledge of Microsoft Office Package (Excel, Word, PowerPoint), and have some experiences in using accounting software such as Accpac would be an advantage;
- Previous experience in training and assessment needs assessment will be an advantage;
- Very good English and Lao skills (writing, reading, speaking and listening); and
- Good communication skills.

TIME FRAME

Each qualified Consultant will be recruited for 24 person-months for the aforementioned services and to assist the AD/DoF and DPWTs. There is a possibility for extension of the contract. The Consultants will report to DoF and duty station for the Consultants is DoF office in Vientiane. The services will be started in August 2017.

EXPECTED OUTCOME

The Consultants will contribute to and assist AD/DoF and DPWTs in preparing the following outcomes:

- Each Consultant must provide training needs assessment report for the area of their responsibilities;
- Monthly, quarterly, semester and annual financial reports which prepared in accordance with Accounting Law No. 47/NA and as per donors' requirements;
- Quarterly monitoring reports on the implementation of new accounting and MPWT's drafted manual;
- Inception reports will be prepared and agreed between DoF and Consultants prior the assignments are started and will be used as the basis of monitoring of Consultants' performance as preparation of Consultants' completion reports;
- Monthly progress reports (describing the status of ToR implementation and actions plan) to attach with monthly payment request to DoF; and
- At the last month of assignment, each Consultant must prepare their completion reports to summarise the work perform during the period of assignment.