Bangladesh House Building Finance Corporation

Rural and Peri-Urban Housing Finance Project Second Phase
Foreign Financing and Project Unit
Head Office, Dhaka-1000.

Terms of Reference (TOR)
For
Financial Management Specialist (Individual Consultant-National)

A Background:

The Islamic Development Bank (IsDB) Group is an international development financial institution, focused on fostering socio-economic development in its 57 Member Countries (MCs) across four continents (Africa, Asia, Europe, and South America). The IsDB's mission is to promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance, and prospering people.

The Government of the People's Republic of Bangladesh signed Financing Agreements (Loan Agreement, Framework Agreement and Agency Agreement) on 29th April 2024 with the Islamic Development Bank (IsDB) for the amount of € 270.57 million to finance the Rural and Peri-urban Housing Finance Project – Second Phase. The Project is being implemented by Bangladesh House Building Finance Corporation (BHBFC) as the Executing Agency (EA) through its 73 Branch offices, 18 Zonal offices and Head Office. Now, BHBFC intends to apply part of the IsDB financing for procuring the services of an Individual Financial Management Specialist for its Project Management Unit (PMU) under the said project. A dedicated full-time PMU is established at the BHBFC Head office within the control of the Ministry of Finance of the People's Republic of Bangladesh to ensure efficient management of the project and implementation of the project within its scope/timeline.

B Project Objectives:

The Government of the People's Republic of Bangladesh has received an Installment Sale Financing (ISF) and an Ordinary Capital Resources (OCR) Loan from the Islamic Development Bank (IsDB) to finance the said project. The main objective of the project is to expand access to affordable finance for constructing planned, sustainable and eco-friendly multi-storied housing with improved quality and necessary basic facilities for lower and middle-income people dwelling in rural and peri-urban areas of the country which in turn will ensure the optimum use of land and save cultivable land. This project also aims to address the climate change issue through introducing climate-resilient housing for climatically vulnerable segments and eco-friendly housing for reducing Greenhouse Gases (GHG) emissions in the atmosphere as the country's effort in adapting and mitigating environmental adversaries.

The project scope covers the following components: (a) Financing for Construction of Houses with Related Facilities; (b) Institutional Capacity Development and Developing Housing Model; (c) Project Auditor ;(d) Support to PMU & Administrative service, Startup Work Shop and familiarization visit; and (e) Contingency and Emergency Response Component.

C Project Location:

The location of the project refers to the locations where the houses will be constructed. These locations will predominantly include peri-urban areas and rural growth centers across the entire country of Bangladesh. Specifically, the project area will include the periphery areas of the metro and divisional cities and district, sub-district, and urbanized growth centers of rural areas of Bangladesh. Only eco-friendly housing schemes under this project will be constructed in Metropolitan areas, as the core urban areas are excluded from the coverage of the proposed.

D **Objectives of the Assignment:**

The BHBFC as EA is now seeking to hire a Financial Management Specialist (hereafter referred as 'the consultant') under the project component-D to provide financial management support and maintain the accounts of the project. He/she will carry out the financial management jobs in accordance with the guidelines, rules, regulations, policy, and procedure of IsDB and the Government of Bangladesh.

The consultant will be selected following the procurement guidelines and procedures of the Bank Guidelines for the Procurement of Consultancy Services under the IsDB Project Financing as per the approved project and financing agreement.

The Financial Management Specialist will function under the direct supervision and report to the Project Director of the Project in the BHBFC.

E **Scope of Services:**

The scope of the consultant shall include, but not limited:

(i) Financial Management system for the Project:

- Update and ensure continuation of sound financialmanagement procedure at Rural and Peri-Urban Housing Finance Project-Second Phase, BHBFC- in accordance with rules, regulations and guidelines of the Government of Bangladesh and the IsDB.
- Ensure that all policies and procedures are in compliance with funding source policies, procedures and requirements, and review the efficacy of internal controls in place and suggest adopting best practices to improve internal governance and to reduce opportunities for irregularities.

(ii) Budgeting:

- Assist PMU in consolidating the project budget on the basis of the approved procurement plan and implementation plan.
- Link the budgeting system with the accounting system to enable comparison of actual financial performance with budgets/targets (quarterly, annual and cumulative for the project.
- Ensure that financial forecasts are based on projected work programs and actual performance. Both short-term and long-term forecasts over the life of the project will be prepared.
- Ensure that the expenditure is made within the budget and variance if any has a valid justification and is duly authorized.
- Provide a variance analysis as part of the quarterly Interim unaudited Financial Reports (IUFRs). S/he will also have to provide some standard ratio analysis and carry out taxation accounting for VAT, TAX, CD etc.

(iii) Development of a Chart of Accounts:

- Develop/update a comprehensive Chart of Accounts for the project to (i) Capture financial data under appropriate heads. (ii) Classify and group financial data necessary to produce prescribed financial reports.
- Ensure that the structure of the Chart of Accounts will make it possible to capture data according to: (i) GOB code of accounts (ii) project components and sub-components (iii) IsDB disbursement categories for the project (iv) Expenditure categories.
- Ensure that the structure of Chart of Accounts corresponds to project cost tables so that actual project costs during implementation can be compared with costs estimated during project preparation.
- Establish linkages of the Chart of Accounts with the budget and expenditure heads of GOB as applicable.
- Maintain the accounting system for the Project, utilizing standard accounting procedures, which will ensure full documentation and recording of sources and uses of funds.

A—

(iv) Computerized Accounting System:

- Arrange to implement a Computerized Accounting System (CAS) to capture financial data of executing agency and would be fully conversant with the system and train up other accounting staffs in its operation.
- Maintain the books and meet the financial reporting requirements using an MS Excel based system until the computerized system is functional.
- Ensure that the computerizedfixed 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.

(v) Disbursement Plan:

With the assistance of project accounting staffs and in consultation with other staffs involved in project implementation, would prepare the annual, quarterly and half yearly disbursement forecasts of the project in line with project's procurement and implementation plan as well as budget.

(vi) Fund Management:

- Assist the PMU in obtaining quarterly fund release for the project
- Ensure proper use of funds for the project activities, managing fund including operation of a designated account, timely replenishment, monitor timely preparation of Bank Reconciliation Statements and initiate and respond to all fund and bank related correspondence with GOB and IsDB.
- Process withdrawal applications prepared to draw down IsDB funds for all activities.
- Review and verify accuracy of information on payment vouchers before signing of checks.
- Prepare payment vouchers before cheques are written for all project-related expenditure.
- Manage Project expenditures, ensuring full compliance with GoB and the IsDB rules and procedures.

(vii) Replenishment of Fund:

Exercise due diligence to ensure the genuineness, appropriateness of all financial information in The withdrawal application is made before preparing the consolidated replenishment request to IsDB.

(viii) Processing of Payments:

- 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/IsDB rules, maintaining requisites files, records and books, following internal control and safeguard measures.
- Review the accuracy of payment vouchers and cheques.
- Review receivables and payables and ensure prompt settlement of payables to the Project's suppliers and contractors.

(ix) 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 adoptingbest practices to improve internal governance and to reduce opportunities for corruption.

(x) Books and Records:

Coordinate with implementing agencies to ensure maintenance of adequate registers, books and records in appropriate order to meet the statutory requirements of stakeholders and to facilitate classification and analysis of the financial information for monitoring the project progress.

(xi) Fixed Assets Record:

Ensure that the computerized fixed assets records are maintained in the Project, identifying the location and user of each asset and conduct annual and periodical inventory of the assets and update records.

(xii) Preparation of Financial Statements and Reports:

- Ensure that the annual financial statements and other monthly and quarterly reports as specified under the GOB Project Accounting Manual and Interim Unaudited Financial Reports (IUFRs) required under the Financing Agreement are accurately prepared and submitted in due time.
- Make sure of a pragmatic cash forecast for half yearly while preparing the UFRs.
- Ensure that Interim Un-audited Financial Reports (IUFRs) are produced on a quarterly basis showing project progress on a user-friendly format.
- Ensure timely submission of the other financial reports to Ministry of Finance and other stakeholders.

(xiii) Interface with External Auditors:

- Attend meetings with Foreign Aid Project Audit Directorate (FAPAD)/commercial auditors along with the accounting staff.
- Arrange timely submission of annual financial statements in the appropriate format to facilitate completion of audits.
- Supply information and documents responding to queries from auditors.
- Initiate actions for holding meetings between auditors and project personnel.
- Coordinate with various units of the project in responding to audit observations.

(xiv) Internal Audit:

- Prepare an Action Plan and provide recommendations to the PD on corrective actions to the issues that would be raised in the Internal Audit Report.
- Facilitate internal Audit.

(xv) Special Assignments:

Assist Project Procurement/Tender Committee in performing their activities; assist/advise the PD and executing agency (BHBFC) in all financial matters as and when required.

(xvi) Supervision and Training:

Supervise the Accounting staffs of the project and will provide hands on training to the accounting staff on various aspects of financial management tasks under a structured training plan.

(xvii) Compliance with Financial Rules and Accounting Policies:

- Ensure compliance with laws, rules and regulations of GOB and IsDB. If necessary, update the accounting manual of the implementing agency and formulate any policy regarding asset and liability management.
- Ensure that accounting policies are in place to govern financial management and accounting of the project. These would include:
  - (i) Accounting Policies for accounting and financial reporting of the project.
  - (ii) Financial policies and procedures (e.g. for transfer of funds and accounting for expenditures including payment of advances, recovery of amounts, etc).
  - (iii) Policies regarding project expenditures.
  - (iv) Classification of these expenditures under relevant headings in the Chart of Accounts.

(xviii) Compliance with Financial and Accounting Procedures:

- Ensure that adequate internal controls operate, including controls over data integrity and standard electronic data processing (EDP) controls;
- Ensure that appropriate delegation of financial power, separation of duties, and policy for authorization of transactions are in place;
- Ensure internal cheeks and controls to safeguard physical assets;
- Ensure timely, periodic, and regular reconciliations;
- Ensure conformity with project procurement policies and procedures.

(xix) Contract Administration Monitoring:

- Ensure that expenditures under contracts are adequately recorded and periodic reports on the status of each contract are generated;
- Process all invoices from vendors for payment, and disburse payments against invoices approved by the PD & EA authority.

(xx) Bank Account Operation and Reconciliation:

- Provide advice on operation of the bank accounts of the project in an efficient manner.
- Preparing monthly bank reconciliation statements.

(xxi) Financial Reporting:

- Ensure that financial reports are substantially generated from the computerized financial management system;
- Ensure that financial reports provide quality and timely information on project performance to various stakeholders;
- Ensure timely submission of accurate withdrawal Applications to the IsDB claiming reimbursement against expenditures;
- Ensure that all project management reports required for monitoring project performance are generated as and when required;
- Ensure timely preparation of comprehensive, representative, and accurate Annual Financial Statement.

F Qualifications:

i. Consultant must have a professional accountancy degree (CA/CMA/similar professional degree);
ii. Consultant must have a Bachelor's Degree from any reputed university.

G Experience

i. If the candidate has a bachelor's degree, they must have 10 (ten) years' relevant working experience, and if has master's degree, then 7 (seven) years relevant experience in auditing, accounting, and financial management of any government/ autonomous/ Bank/ Accounting & Financial Institution/ International Development Organization or any relevant reputed organization.
ii. Consultant must have 2 years of specific (financial management-related) working experience in a Bank & Financial Institution or a Multilateral Development Bank (MDB) financed project. A Professional Certificate, along with proof of experience, should be provided.

H Core Competencies

i. Shall have effective project financial management skills;
ii. Ability to handle and prioritize workload;
iii. Shall have strong effective team management skills;
iv. Ability to train the project staff on financial management system;
v. Adequate computer skills and experience of working with accounting software.
vi. Have high standard for integrity and ethics.

I Language Skills

i. Shall have effective verbal and written communication skills in both Bangla and English.

J Duration of the assignment:

The duration of the assignment will be 36 months (the remaining period of this project). The duration may be extended subject to the project fund based on the progress of the project implementation.
The assignment will be intermittent based on the project need - 10 working days of expert inputs per month.

K Selection Criteria:

The consultant shall be selected following the Individual Consultant (IC) based selection method set forth in the Guidelines for the Procurement of Consultancy Services under IsDB Project Financing (current version).

L Reporting and Deliverables:

The consultant will prepare and submit the following reports/documents to PD as his/her duties and responsibilities:

SL No	Description	Reporting Time
1	Upgradation of Books of Accounts and Chart of accounts of the Project	Continuous
2	Preparing Annual Work Plan, Budget, and Fund Forecast	As required
3	Preparing Relevant Reports, Statements, and Schedules to Auditors and Reviewers	As required
4	Follow up on all bills	As required
5	Overview of all financial statements, including income statements and Statement of Expenditure (SOE)	As required
6	Preparing Interim Financial Reports (IUAR)	Quarterly
7	Preparing Annual Project Financial Report	Annually
8	Update on any types of (internal and external)Audit observations	Quarterly
9	Overview of all Financial Reports	Annually
10	Reviewing all Bank statements	Half yearly
11	All contract payments and amendments	As required
12	Assist in formulating any policy regarding Assets & Liabilities management	As required
13	Any other related assignment required by PD	As required
14	Project Completion Report	After Completion

M Institutional Arrangement:

- The consultant will work closely with the PMU and coordinate their work with other relevant department of BHBFC, Ministry of Finance and IsDB.
- Project Director (PD) would be designated as Head of the PMU to coordinate all interfaces with the Consultant. The Headdthe PMU with support from PMU staffs would also assist the Consultant in resolving various administrative issues which may arise during implementation of the Contract. The Consultant will be responsible to the PD for duly discharging all projects FM functions as set forth in the preceding sections of this ToR with the assistance of other FM staff in the section.

N Responsibilities of the Client

- The Client will make experienced officials available and will ensure that the Consultant has access to all information required and documentation. The Client will provide liaison and communicate with other Government Authorities if and when required for performing the job of the Consultant and facilitate different meetings, focus group discussion and workshops based on initial planning.
- The Client will provide appropriate office space and other associated logistic facilities to carry out his/her roles and responsibility. The Client will also provide logistic support for the field visits if necessary.

O Remuneration

The Consultant will be paid a negotiable consolidated monthly (10 working days) remuneration inclusive of all applicable Taxes and VAT as per law of Bangladesh. Payment shall be made on monthly basis upon satisfactory performance output certified by the PD. The working schedule is subject to negotiation