**TERMS OF REFERENCE**

**ASSOCIATE/JUNIOR FINANCIAL MANAGEMENT SPECIALIST**

**KARACHI WATER & SEWERAGE SERVICES IMPROVEMENT PROJECT**

1. **Introduction**

Karachi is Pakistan’s largest city, main seaport and international trade hub. It encounters numerous challenges among which water supply and sewerage are the worst affected services, falling far short of the city’s expanding needs. To mitigate this gap, develop these services for Karachi and strengthen the Karachi Water and Sewerage Corporation (KWSC) to become a financially viable and technically well performing water utility that ensures clean, safe drinking water and sewerage services to public, the Government of Sindh GoS / KWSC partnered with the World Bank Group through the Karachi Water and Sewerage Services Improvement Project (KWSSIP). The Karachi Water and Sewerage Services Improvement Project (KWSSIP) encompasses a USD 1.6 billion reform-led investment program, to be implemented in four phases over a period of 12 years. Phase 1, with an investment portfolio of USD 100 million, is currently under implementation, and a Project Implementation Unit (PIU) has been established for this purpose. The PC-1 for the Second Phase of KWSSIP amounting to US$600 Million (PKR167.10 Billion) has been approved by ECNEC. The project has been approved by the World Bank Board on 12th December 2024. The project is being implemented by the Government of Sindh (GoS) and the Karachi Water and Sewerage Corporation (KWSC) through multiple procurement processes, expected to occur within a short timeframe. The project activities aim to achieve key milestones, including addressing environmental aspects associated with the proposed project components.

**Project Components**

KWSSIP-2 has been developed for institutional and governance reforms in KWSC along with a strategic investment for the improvement of water & sewerage infrastructure in Karachi.

Following are the project components:

**Component 1 – Operational & Enabling Environment Reform**

1. Institutional Reforms and Capacity Building in HR
2. Implementation of Communication Program & Capacity Development of CRM
3. Implementation of Gender Action Plan
4. Capacity Building in Asset Management, GIS and Data Collection Strategy
5. Preparation and Implementation of Water Safety Plans
6. Outsourcing of Metering & O&M
7. Advance Studies for the adaptation of Trenchless technology of Infrastructure development in Karachi Water and Sewerage Program
8. Financial Management improvement

**Component 2 – Infrastructure Investments**

1. Rehabilitating Water Supply and Sewerage in Selected Low-Income Communities
2. Priority Sewer Network Rehabilitation and Extension:
3. Priority Water Network Rehabilitation including O&M equipment, meters & DMAs to reduce NRW
4. Priority Works for Reducing Energy Consumption:
5. K-IV Augmentation and Downstream Allied Works:
6. Rehabilitation of Existing Filtration Plants (NEK K-II, 100 MGD, Pipri JBIC 50 MGD)
7. Viability Gap Funding (VGF) to support PPP Interventions

**Component 3 – Project Management and Studies**

1. Design Review and Construction Supervision of the Proposed Sub-Projects of Phase-2:
2. Follow-up studies on energy audits:
3. Preparation of KWSSIP -3, feasibility, E&S study, designing & PC-1, follow up study from the Master Plan Study

**Component 4 – Contingent Emergency Response Component**

**Objectives of the Assignment:**

The objective of the assignment is to support the Financial Management Unit of the PIU, KWSSIP, in ensuring that an effective financial management system is maintained in accordance with Government rules and World Bank fiduciary requirements.

The **Associate/Junior Financial Management Specialist** (A/J-FMS) shall assist the Financial Management Specialist (FMS) in maintaining financial records, compiling reports, and providing timely and accurate financial data for management review and external reporting. The incumbent will play a key supporting role in ensuring compliance with:

* Government of Sindh’s **Financial Rules**
* Standing instructions of the **Finance Department,** Government of Sindh
* **World Bank Financial Management Guidelines** relevant to donor-funded projects

The A/J-FMS will play a key role in supporting the implementation of robust financial procedures, documentation practices, and internal controls under the project. The incumbent will work closely with the Finance Unit of the PIU and the Resettlement Unit (RU) under KWSC, specifically contributing to the financial aspects of CAP and GAP implementation. The role also involves coordination with relevant stakeholders to ensure timely financial monitoring, reporting, and adherence to audit, taxation, and compliance requirements.

**Scope of Work:**

Under the supervision of the FMS, the A/J-FMS shall perform but not limited to the following tasks:

**Budget & Planning**

* Assist the FMS in the implementation of the financialmanagement plan, particularly in compiling relevant data, maintaining documentation, and supporting the application of internal controls and procedures as per the financial framework of the project.
* Support in the preparation of the Annual Work Plan & Budget(AWPB) by collecting expenditure trends, disbursement records, and input from other sections of PIU. Ensure that all data is accurately presented for consolidation.
* Support the preparation of monthly budget versus actual expenditure reports, assist in conducting variance analysis, and promptly bring any discrepancies to the attention of the FMS for appropriate action
* Support in the development of quarterly and annual disbursement projections by ensuring that activity-based financial requirements are properly documented and reflected in forecasts.

**Funds Management**

* Assist the FMS in compiling and organizing data required for the preparation of quarterly cash forecasts, ensuring timely coordination with the PIU and relevant CAP/GAP components.
* Support the preparation and processing of Withdrawal Applications by ensuring all supporting documents (invoices, payment records, and budget approvals) are complete and in accordance with the World Bank’s Disbursement Guidelines.
* Maintain a tracking log of fund flows, including disbursements from the donor, transfers from National Bank of Pakistan (NBP), and credits into the project’s designated assignment account. Follow up with NBP and Finance Department, GoS to ensure timely fund movement.
* Assist in preparing online submissions to the World Bank, particularly related to expenditure data reported in Designated Activity in US dollars & PKR, under the supervision of the FMS.
* Monitor the status of budget utilization by category/component, maintain internal spreadsheets, and highlight anomalies or unusual variances to the FMS for timely corrective actions.
* Track availability and utilization of funds for all resettlement and administrative expenses of RU, ensuring that disbursements stay within approved ceilings.
* Prepare and process Treasury bills for the issuance of cheques in accordance with the approved sanction
* Monitor the status of budget utilization by project component and category of expenditure and reporting to FMS & PD-RU for onward submit the report to World bank where necessary

 **Expenditure/Payment Processing**

* Assist the Financial Management Specialist in ensuring that expenditure processing complies with the internal control framework, including adherence to the Operational Manual, SOPs, government financial rules, and World Bank fiduciary guidelines.
* Support in verifying payment documentation such as invoices, receipts, purchase orders, and contracts, ensuring that each payment request is properly supported and aligned with the approved budget.
* Conduct initial-level pre-audit checks on payment files by verifying availability of funds, requisite approvals, and adherence to financial rules and contract conditions, before submission for final review by the FMS.
* Maintain organized records of No Objection Letters (NOLs) received from the World Bank for prior review cases, and assist in cross-checking related documentation before processing payment.
* Prepare and organize eligible payment packages for Project Director’s review and approval, ensuring completeness of supporting documentation and proper authorization at each stage.
* Assist in maintaining an up-to-date payment tracking system, logging payment status, processing timelines, and pending approvals. This includes managing trackers for CAP/GAP related compensation disbursements.
* Enter financial transactions and vouchers into the Financial Management Information System (FMIS) under the supervision of the FMS and ensure all entries are accurate and properly coded.
* Liaise with suppliers, consultants, and internal procurement and other department to ensure timely collection and verification of invoices, matching them against contract terms and verifying deliverables

**Accounting and Record Management**

* Assist the FMS in maintaining accurate and up to date project financial records in accordance with the Government of Sindh Financial Rules, applicable accounting standards, and World Bank financial management guidelines.
* Record all financial transactions in a timely manner in both PKR and USD, ensuring that all expenditures are correctly documented and no transaction remains unaccounted for in the system.
* Support in maintaining accounts on a cash basis as per prescribed government accounting procedures, and help prepare transaction-level data entry into the FMIS.
* Help organize and maintain project accounting records, books of accounts, payment registers, and financial documentation in an orderly and audit-ready format to meet both government and donor reporting requirements.
* Assist in the preparation of monthly bank reconciliation statements for the project’s assignment accounts (PKR and USD), and follow up on discrepancies if any.
* Help reconcile project expenditures with government formats and facilitate monthly reconciliations with the office of the Treasury or Accountant General Sindh.
* Support the payroll process by assisting in preparing monthly salary statements, ensuring documentation is in order, payroll controls are applied, and payment instructions are submitted for approval.
* Assist in maintaining the Fixed Assets Register, including tagging of assets, tracking location and user, and participating in periodic and annual physical verifications.
* Maintain proper filing and safe custody of all financial and accounting records, ensuring they are available for inspection by Bank missions, third-party monitoring agencies, or internal/external auditors.
* Develop and maintain a centralized invoice tracking log for all contracts and vendors under CAP/GAP and KWSSIP activities. Ensure timely verification, classification, and tracking of invoices against contract terms and payment status, and highlight pending or delayed payments for timely processing.

**Financial Reporting**

* Assist the FMS in the compilation and preparation of quarterly financial summaries for internal review and submission to the World Bank in accordance with project timelines and donor requirements.
* Support in preparing periodic financial reports as outlined in the Project Financing Agreement, or as required by the World Bank and other relevant stakeholders, ensuring accuracy and compliance.
* Facilitate the preparation, review, and formatting of Interim Financial Reports (IFRs) in accordance with World Bank–approved templates. Support the reconciliation of project accounts with World Bank disbursement records.
* Help prepare and maintain records related to government financial reporting requirements, such as Schedule of Cheques and Statement of Receipts and Payments in the prescribed format, for onward submission to the Project Director and the Accountant General Sindh.
* Maintain proper filing and referencing of all financial reports, ensuring traceability of source documentation, and timely follow-up on any outstanding issues or revisions flagged by the Project Director or the donor.
* Monitor and track compliance with statutory reporting requirements, including withholding of income tax and sales tax, preparation of relevant schedules, and coordination with tax authorities or consultants where necessary.
* Maintain financial documentation and working papers for all submitted reports, ensuring data consistency, audit readiness, and full traceability of transactions.

**Audit**

* Assist the FMS in facilitating the external audit process, including coordination with the Auditor General of Pakistan (AGP).
* Provide support in compiling and organizing audit documentation, schedules, and backup records required for audit fieldwork, ensuring completeness and compliance with prescribed formats and standards.
* Support timely initiation of the audit process by preparing preliminary working papers, maintaining communication logs, and ensuring audit teams receive timely access to financial data, ledgers, and vouchers.
* Assist in reviewing the draft audit reports and management letters; compile responses to audit queries in close consultation with the FMS and other relevant project staff.
* Track audit observations raised in external, internal, or donor audits and maintain an audit compliance register for follow-up and resolution of outstanding issues.
* Facilitate internal audit processes by ensuring project financial transactions are well-documented, traceable, and in compliance with the internal control framework.
* Support preparation for tripartite meetings with the Departmental Accounts Committee (DAC), including collation of supporting documents and explanation of audit observations.
* Liaise with relevant staff of the PIU and consultants to collect clarification and documentation in response to audit remarks, ensuring timely submission to auditors or DAC forum.
* Maintain a centralized archive of all finalized audit reports, audit responses, compliance letters, and DAC meeting minutes for ready access during donor missions and internal reviews.

**Additional CAP-RP & GAP Functions**

* Coordinating with the CAP Implementation Firm and Independent Monitoring Agency (IMA) to cross-verify payment lists, acknowledgment receipts, and beneficiary information.
* Track field disbursement progress and compile village-level reports for monitoring payment completion under each CAP component.
* Liaise with the Project Director to ensure timely submission of financial documents to the Accountant General for bill clearance, particularly for administrative head expenses.

**Other responsibilities:**

* Any other tasks related to finance and as per the requirement of the project and assigned by the Project Director, KWSSIP & FMS

**Qualification and Experience:**

At least a Minimum Bachelor’s degree in Accounting, Finance, Commerce, or a related discipline from a Higher Education Commission (HEC)-recognized university. A Master’s degree or professional certifications such as CA (inter), ACCA (Part-Qualified) , or ICMA will be an added advantage

At least **three years** of relevant experience in financial management, accounting, budgeting, or audit, preferably in public sector or donor-funded projects. Familiarity with financial management practices of World Bank or other multilateral development partners will be highly desirable.

**REPORTING LINE**

The Junior Financial Management Specialist will be based full-time at the KWSSIP and will also support Resettlement Unit (RU) established under KWSC, He/She will report directly to the Financial Management Specialist (FMS)

The position is expected to coordinate with various stakeholders including:

* CAP Implementation Firm and IMA
* AG Sindh and Finance Department
* World Bank Financial Management teams during supervision missions

**CONTRACT DURATION**

The Specialist is required to work for the KWSSIP-2 for the period of Once (01) years. The Probation Period will be for 3 months during/up to which contract may be terminated owing to unsatisfactory performance. Contract can be terminated with one month notice period by either party. The position is based in Karachi with travel requirements to the site as & when required.

**SALARY AND BENEFIT**

Market competitive salary based on qualification and experience will be offered.

**SELECTION PROCESS**

An individual will be selected in accordance with process stipulated in Section VII of “Approved Selection Methods: Consulting Services, Clause 7.34, Approved Selection Methods for Individual Consultants under The World Bank Procurement Regulations for IPF Borrowers (Fifth Edition September 2023).