

Terms of Reference

PACIFIC TECHNICAL ASSISTANCE MECHANISM 2 (PACTAM2)

Adviser Title	Public Financial Management Adviser (Treasury Department)
PACTAM2 Partner Organisation	Treasury Department - Ministry of Finance and Economic Development
Duration	December 2018- December 2020 (24 months)
Location	Funafuti, Tuvalu
Adviser Type (LTA or STA)	LTA
Adviser Remuneration Framework (ARF) level	C4
Aid Investment Plan or Partner Government's national/sectoral priority	<i>Te Kakeega III</i> – TKIII Goal: Strengthen Institutional Capacity to service the public interest with competence and justice. Aid Investment Plan Tuvalu: 2016-17- 2019-20 Priority 1: Strengthen economic and financial management systems.
Primary capacity development role (check appropriate box, with reference to below)	<input type="checkbox"/> In line <input checked="" type="checkbox"/> Supplement capacity <input type="checkbox"/> Facilitate capacity
<p>Capacity Development Emphasis: <i>Minor / Indirect - the Adviser will be substituting for an existing or proposed in-line position, with minimal expectation of direct capacity building activities.</i></p> <p><i>Moderate – the Adviser will be directly supporting in-line staff member/s or team as well as helping the individual/s to increase their own job skills, knowledge and awareness - there is an expectation of supplementing capacity</i></p> <p><i>Major – the Adviser's primary purpose is to work with staff/teams in a training, mentoring, and/or facilitating way – there is significant expectation of implementing capacity building activities.</i></p>	

Purpose

The key purpose of the Public Financial Management (PFM) Adviser is to further enhance public financial management through technology to better record revenue receipts and expenditures and resolving procurement limitations. Furthermore, it will be the role of the PFM adviser to build capacity of staff to enable them to efficiently and effectively manage public funds and financial reporting including producing financial statements to comply with the General Accepted Accounting Practice (GAAP).

DCR55417 V3 2016-12-12

PACTAM2 is an Australian Government initiative funded through its Department of Foreign Affairs and Trade (DFAT), and managed by Scope Global. It places highly skilled Technical Advisers in Partner Government organisations across 6 Pacific Island countries.

Background

Tuvalu is one of the smallest island states in the Pacific with a population of 11,000 with over 60 percent residing in the capital, Funafuti. Tuvalu has very limited resources and vulnerable to external shocks and natural disasters. Australia supports the Government of Tuvalu with development assistance to support and strengthen its systems and services.

Tuvalu has a strong national development plan, *Te Kakeega III: National Strategy for Sustainable Development*. This assignment falls under the TKIII strategic goal of good governance with specific objective to improve public finance management and efficiency across all Government line-ministries. Australia supports Tuvalu to strengthen its economic and environmental resilience and improve service delivery. This assignment is aligned with priority one in Australia-Tuvalu Aid Investment Plan: strengthen economic and financial management systems. Across all investments Australia is working with Tuvalu to improve gender equality and disability inclusion. Australia supports the Government of Tuvalu to implement its policy reform matrix to maximise the benefits of its resources, achieve TKIII priorities and support Tuvalu's long term economic prospects. The PFM- adviser will play a key role in assisting to implement parts of the policy reform matrix.

As part of the on-going PFM Reforms, the government is in the process of implementing Multi-Year Budgeting for Special Infrastructure Budget (SIB) that has "carrying forward spending authority" (CFSA) , and adopting full accrual accounting standards to improve financial management of the differences between its current cash budgeting and accrual accounting systems.

The PFM- adviser will assist Treasury Department to implement reforms under the Public Financial Management Roadmap 2017-2021. In addition, the PFM Adviser will also assist the Treasury Department in implementing requirements of the Financial Instructions including the use of paper-less payment system for the whole of Government. The use of the paper-less payment system will increase efficiency for the whole of Government and can also improve service delivery to the public.

The PFM- Adviser will also assist the Treasury Department in providing financial statements that meets Generally Accepted Accounting Principles (GAAP) standards. In the 2015 and 2016 Auditor General Reports for the Whole of Government, a Qualified and Disclaimer Audit Opinion was issued. A disclaimer of audit opinion means that the Auditor General was unable to form an opinion whether the financial statements present a true and fair view due to all evidence reasonably expected to be available was not available.

The PFM Adviser will build the capacity in the Treasury Department in key areas including; analysis of government spending provision of financial reporting in a timely manner and one to one support to build relevant staff understanding about the overall goal of Treasury with PFM systems. The Government Accountant retired in June 2018. In addition, two senior staff are also on long-term study leave. Over recent years, the volume of work has increased for the Department due to the increase in the National Budget.

The PFM Adviser will integrate the accrual budgeting and accrual accounting systems to fully develop and produce financial accounts and statements in accordance with GAAP.

The Adviser will ensure Gender Equity and Social Inclusion (GESI) will be integrated to Treasury's work through analysis and training. For instance, analysis on the impact of certain budget spending to progress GESI initiatives. Also the Adviser could assist with Tuvalu's NIE accreditation to access and administer Adaptation Fund and Green Climate Fund (GCF) funds.

Placement objectives	Core functions
<p>1. Support Treasury Department to implement reforms under the Public Financial Management Roadmap 2017-2021</p>	<ul style="list-style-type: none"> • Roll-out of payment orders to all expenditures; • Close in-active accounts; • Reconciles debt-data; • Provide recommendations to address and manage fiscal risk; • Improve reconciliation process on major receipts (fishing licenses and taxes); • Improve bank reconciliation process; • Improve payroll system to be more flexible to changes to any new increase in salary structure; • Provide practical best practice recommendations on how to improve Public Expenditures and Financial Assessment (PEFA) scores; • Formalise, review and recommend amendments to Sections 14 & 17 of Public Finance Act to implement and adopt all policy reforms in multi-year budgeting for Special Infrastructure Budget (SIB) and integrate into accrual budgeting and accounting systems; • Implement Multi-Year Budgeting for SIB that has carrying forward spending authority (CFSA), and retrospective application of CFSA in 2018 SIB in line with Section 20 of Public Finance Act; • Establish mechanisms to integrate accrual budgeting and accounting systems to produce financial statements; • Provide capacity building to staff on analysis and financial reporting to improve staff capacity to analyse budget spending and produce timely financial reporting to the Ministry of Finance and Cabinet to inform decision making.
<p>2. Providing assistance to Treasury Department to produce complete financial statements in compliance with GAAP and all evidence required to enable the Audit General to provide an opinion.</p>	<p>In conjunction with the Government Accountant;</p> <ul style="list-style-type: none"> • Include inventory in the Financial Statements; • Improve compliance in providing support documents for Accounts Receivable and Revenue including Cabinet decisions; • Improve reconciliation process for the movement of Statement of Receipts and Payments to reconcile with Cash Balances; • Establish and adopt improved full accrual accounting framework to suit public sector; • Compile and finalise annual financial statement in accordance with Generally Accepted Accounting

	<p>Principles (GAAP) within 6 months after the end of the financial year as required;</p> <ul style="list-style-type: none"> • Co-ordinate and oversee staff tasks during audit time (May-July); • Produce monthly cash flow statements with actuals and projections for the current fiscal year; • In collaboration with the Planning and Budget Department prepare cash flow projections for upcoming financial year; • Compile Aid Management (TDF) financial statements for auditing purposes; • Provide monthly reports on Government financial performance against budgeted targets and strengthening of government liquidity position; • Establish a more robust system on reconciliation of cash and bank balances.
<p>3. Upgrade Treasury systems and processes including the use of paper-less payment system.</p>	<ul style="list-style-type: none"> • Review the existing ACCPAC system and make an assessment by comparing it with alternative Financial Management Information Systems (FMIS), with due consideration given to costs, efficiency, functionality, flexibility and expandability to accommodate change and growth; • Implement requirements of the Financial Instructions including the use of paper-less payment system for whole of Government; • Consolidate and expand the Government’s Financial Management Information System to accommodate the need for paper-less payment for all Government ministries which will incorporate integrated budgeting process. Consult with Sage 300 providers. • Establish better linkages with the Planning, Budget and AID coordination Department (PBACD) for Treasury purposes; • Establish better links between Treasury and Audit for auditing purposes; • Collaborate with the PBACD and the Audit Office to help implement the Regional Roadmap on PFM and address PEFA findings through the PFM reform mechanisms; • Establish better links between Treasury and line Ministries of the Government of Tuvalu to better monitor the execution of the national budget • Establish practices to ensure Public Finance Management (PFM) in Tuvalu aligns with the Public Finance Act and Financial Instructions (including participating in the Government review of the TREASURY Legal Framework). • Develop a quarterly reporting framework for PFM.
<p>4. Asset Management and Procurement</p>	<ul style="list-style-type: none"> • Work with the Central Procure Unit (CPU) and newly created Central Contract Management Unit (CCMU) to

	<p>better account and report on government spending going towards large public procurements as per regulations;</p> <ul style="list-style-type: none"> • Responsible for ensuring a complete, accurate and current asset register is available; • Regular updating of the Tuvalu Asset Management Register under the Asset Management Framework; • Provision of asset statement valuations, amortisation and disposal for auditor during audit periods; and • Reviewing asset stock take schedules with the Asset Manager; • Co-ordinate the incorporation of government asset register into the existing ACCPAC system including accounting for depreciations and updating FAR for all SIB and ensuring Fixed Asset Register (FAR) is reconciled and balanced to general ledger in the FMAIS.
5. Provide training to Treasury staff, Accounting Officers and public officers in the management and reporting of public funds.	<ul style="list-style-type: none"> • Oversee the work of the Treasury Department and the development of staff capacity; • Facilitate and/or lead training on the ACCPAC system; • Provide on the job training and refresher training courses to Executive Officers and Higher Executive Officers; • Provide training to Ministry staff on financial management and changes to systems and processes including the use of paper-less payment system.
6. Other	<ul style="list-style-type: none"> • Provide sound financial advice to the Minister, Secretary, ministries and Cabinet as required; • Lead the establishment of a centralised debt register. • Carry out other duties as requested from time to time by the Secretary of Finance and Economic Development and the Government Accountant; • Assist with matters of financial management across budget, treasury and other line ministries as needed; • Develop and document processes and update existing manuals to ensure sustainability.
7. Provide advice and guidance on cross-cutting issues	<ul style="list-style-type: none"> • Ensure inclusive practices that enhance access for women, people with disabilities and other marginalised populations are incorporated in the operations of Ministry of Finance and Economic Development. • Promote and support DFAT's <i>Gender Equality and Women's Empowerment Strategy</i> • Promote and support DFAT's <i>Disability Inclusive Strategy 2015-2020</i>

Accountability and working relationships

The PFM Adviser will be based at the Treasury Department and will be accountable to and managed by the Secretary of Finance and Economic Development. The adviser will work across the Ministry of Finance and Economic Development. The adviser will work closely with the Government Accountant, Treasury staff, AID coordination and budget staff with cross cutting issues and financial management across audit and attorney general.

Key selection criteria

All PACTAM2 Advisers are expected to

- Demonstrate effective interpersonal skills and the ability to work and communicate effectively and respectfully across cultures
- Foster empowerment and sustainability
- Adhere to Scope Global and DFAT policies

Essential

Qualifications

- Minimum of a Degree level qualification in Accounting
- Certified Practising Accountant (CPA) registration

Skills, experience, knowledge

- Minimum 10 year experience in Government accounting environment.
- Demonstrated experience with computerised financial management, accounting and Information systems (FMAIS) in a Government environment.
- Demonstrated experience and success in supporting and implementing change in a Government accounting environment.
- Demonstrated experience and success in the development and implementation of formal and on the job training including the development of relevant procedures and manuals.
- Experience in dealing with transitioning from cash to accrual budgeting and accounting
- Demonstrated experience of working with limited resources within a challenging environment
- Ability to cope with cultural isolation and a standard of living that may be different;
- Patience, tolerance and flexibility;
- Commitment to team work, coaching and mentoring other people

Desirable

- Previous experience living and working in a developing country (particularly in the Pacific or small island states) is desirable but not essential.
- Knowledge of Sage 300 ACCPAC FMAIS

Special conditions

Scope Global recruitment practices operate under equal employment opportunity principles and laws. We encourage all appropriately qualified and experienced people to apply regardless of their sex, age, race, ethnicity, physical ability or beliefs.

We require all Advisers to:

- (a) comply with the terms and conditions of the PACTAM2 Adviser Service Agreement including completing a police check, undergoing a medical examination, and attending a pre-departure briefing.
- (b) comply with DFAT safeguard policies and any other policies specific to their placement.

Date Terms of Reference Finalised

September 2018

DCR55417 V3 2016-12-12