

Government of Nepal
Ministry of Finance
Financial Comptroller General Office (FCGO)
Anamnagar, Kathmandu

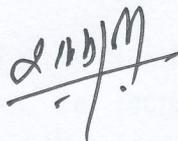
Notice for Invitation of Expression of Interest (EoI) For NPSAS Consulting Services

First Date of Publication: 20 August, 2017.

The Government of Nepal has decided to implement Nepal Public Sector Accounting Standards (NPSAS). Financial Comptroller General office is main responsible agency for accounting and reporting. 30 economic entities prepared NPSAS base financial statements of F/Y 2016/17 and FCGO decided to prepare NPSAS base financial statements of all economic entities as well as consolidated financial statements of GoN. So FCGO decided to hire consulting service for support and training. The main objective of consultancy service is to prepare NPSAS compliant financial statements of economic entities.

1. Major Scopes of consulting service is to assist in concern entities and FCGO to prepare NPSAS complaint consolidated and entity wise financial statement and to conduct conceptual and operational training for employees.
2. The interested eligible consulting firms are informed to collect the detail Terms of Reference (ToR) from the address given below during office hours within 15 (fifteen) days of the first date of the publication of this notice, i.e., 20 August 2017. The notice and ToR can also be downloaded from the web site: <http://www.fcgo.gov.np> and they are required to submit their respective EOIs within the same deadline.
3. The service period of the consulting firm shall start from October 2017 and ends after 7 months from the starting date. The service of the consultant may be extendable upon the satisfactory performance of the consultant.
4. The consulting firms are requested to submit their respective EOIs in closed. FCGO will not responsive for late delivery by postal and any type of online application. The late submission of the EOIs shall not be considered.
5. Firm should furnish renewed Business registration, PAN/VAT registration and latest tax clearance/tax statement (Up to FY 2072/73)
6. Firms are requested to submit their firms profile, detail Personal Resume of concern consultant with relevant information.
7. Only the selected firm shall be asked to submit a combined technical and financial proposal and, if such proposal is responsive and acceptable, be invited to negotiate a contract.
8. The detail information is mentioned in ToR. Any further information can be obtained from the Procurement Unit, 4th Floor, Financial Comptroller General Office, Anamnagar Kathmandu Nepal. Email: bhuwanp.kafle@fcgo.gov.np during office hours.

Procurement Unit



Government of Nepal
Ministry of Finance
Financial Comptroller General Office

Terms of References (ToR)
for
Engagement of consulting firm to
Assist in Preparation of Consolidated Financial Reporting under Nepal Public Sector
Accounting Standards (NPSAS)

1. Background:

Financial Comptroller General Office (FCGO), as the principal agency under the Ministry of Finance (MoF), is mainly responsible for treasury operation of Government of Nepal. While performing this function, FCGO facilitates budget implementation, oversees expenditure, tracks the collection of revenue and administer the loan, Investment and grants of all Government and constitutional bodies. This office is also responsible for the design and developing of accounting system and formats. FCGO is also responsible for preparing the Annual Financial Statements of the Government of Nepal as annual report and submit it to Office of the Auditor General (OAG) and submit other accounting reports to the OAG and other agencies for loan, grant and government investments. In order to make government financial reporting system as par with international Standards, the Council of ministers has decided to implement NPSAS in Nepal.

NPSAS was developed by Accounting Standard Board (ASB) and approved by council of Ministers in 2009 A.D. to be applied in financial reporting under cash basis of accounting in the offices of GoN. NPSAS comply with the cash basis international standard, IPSAS, 2005; updated in 2007 developed by Public Sector Committee of International Federation of Accounts (IFAC).

For the Implementation of these Standards, In coordination with FCGO Piloting of NPSAS in two (2) line ministries, *i.e; Ministry of Physical Planning, Works and Transport Management and Ministry of Women, Child and Social Welfare* of GoN had successfully completed on F/Y 2013/ 14 with the help of Consultant. Model financial statements were prepared by the consultant on the basis of financial data of F/Y 2011/12 and 2012/13. Financial statements of these two piloted Ministries for F/Y 2013/14 were also prepared with the help of consultant by involving finance staffs of concern Ministries. These financial reports were submitted to OAG for audit in F/Y 2014/15

Likewise in F/Y 2016/17 FCGO had decided that all the Economic entities of Government of Nepal need to prepare NPSAS based financial statements, However **16 Economic**

entities were submitted financial statement of F/Y 2014/15 for audit to OAG. Similarly **31 Economic entities** were submitted financial statement of F/Y 2015/16 for audit to OAG. This indeed is the great achievement towards implementation of NPSAS in Nepal. But yet NPSAS has not been implemented in all the Economic Entities. Hence as per FCGO's predetermined action plan, in F/Y 2017/18 FCGO intended to prepare NPSAS based financial statement of all economic entities based on financial data of F/Y 2016/17 and consolidated financial statement of Government of Nepal. In this background FCGO has decided to hire consulting firm to support all economic entities and FCGO to prepare NPSAS base financial statement as well as to conduct training.

2. Objective of the Consulting Service:

The objectives of the consultancy service are to :

- a. To prepare Financial statements in compliance with NPSAS in all (43) the Economic entities of GoN and submit for audit to OAG.
- b. To prepare Consolidated Financial statements in compliance with NPSAS of GoN and submit for audit to OAG.
- c. To provide technical assistance to prepare Financial Statements to all Economic entities.
- d. To enhance the capacity of the employees of Central level Economic Entities and their subordinate entities.

3. Scope of the Services:

The scope of services to be carried out by the consultant consists of the following:

- a. Review and study of the previous individual and consolidated Financial statements of all economic entities and their Audit report, Training materials, Training Modules and format of Preparing Financial statements in Compliance with NPSAS prepared by FCGO.
- b. Visit concerned entities, OAG, FCGO, and MOF: - The consultant should visit and provide technical assistance as and when asked for such assistance.
- c. To help in data entry and consolidation process to the economic entities.
- d. To conduct conceptual and operational training for approximately 400 employees of economic entities.
- e. To understand the basic Information Technology Application : The consultant should have general/ basic understanding of information technology and Financial management information system of Government of Nepal i.e, Budget Management Information System(BMIS), Treasury Single Account(TSA), Financial Management Information System(FMIS),

Revenue Management Information System(RMIS), Aid Management Platform (AMP)

4. Main/Specific Duties/Responsibilities.

The main/specific duties/responsibilities of the consultant are to:

- a. Provide technical assistance to prepare Financial Statements to 43 economic entities' staffs as and when required.
- b. Provide technical assistance, other study and analysis to prepare consolidated Financial Statements of GoN.
- c. To participate in meeting of steering committee on FCGO regarding. NPSAS implementation if required.
- d. Shall have to work in coordination with the facilitating team formed by FCGO to implement NPSAS based reporting.
- e. To facilitate Economic entities which need extra support for preparation of NPSAS based financial statements as directed by FCGO.
- f. To come forth in meeting of concerned economic entities and provide suggestions.
- g. To conduct conceptual and operational training for around 350 employees of economic entities and other offices regarding NPSAS based financial reporting and manage all logistics for training.
- h. To conduct two conceptual and operational residential training for 50 employees of FCGO and economic entities regarding NPSAS based financial reporting through software developed by FCGO.

5. Availability of Previous Study documents and Data:

FCGO will provide the following books/documents for the completion of the service:

- a. Model financial consolidated statements and Financial statements prepared by FCGO
- b. Training module and materials of NPSAS developed by FCGO.
- c. Suggestions given by the previous consultant to implement NPSAS in all government's economy entities.

6. Consultant's Qualifications and Experience:

- I. **Consulting Firm:**-The consulting firm should have the following qualifications and experience to carry out the work

- Company/Firm /Business registration certificate.
- VAT and PAN registration

- Tax clearance certification.

Experience of the consulting firm

- General experience: At least of 7 Years as in the field of financial administration /accounting in the **public /private sector entity**
- Specific experience: The consultant must have the considerable experience in the field of public/ private sector accounting and reporting standard (i.e NPSAS/NFRS) and at least 3 years of experience (during job or as independent) in the field of development /application of accounting.
- Special Requirement as advantage: Consultant having experience with the study of similar assignments (NPSAS) in the government entity/others shall have added advantage.

II Qualification of Manpower

a) Team Leader (One)

- At least Master degree in Management or business studies or equivalent with accounting subjects or Chartered Accountants, ACCA or equivalent.
- General experience: At least of 5 years experience in the field of financial administration/accounting/auditing/treasury management, and donor funded accounting in the public sector entities

The consultant having chartered accountancy degree shall have priority in preference

b) Experts (finance)(Two):-

- At least MBA, Master degree in Management or business studies or equivalent with accounting subjects and Chartered Accountants, ACCA or equivalent.
- General experience: At least of 4 years experience in the field of financial administration/accounting/auditing/treasury management, and donor funded accounting in the **public sector entities**

c) Supporting Staff (One):

- At least bachelor degree in Account, Finance, business or equivalent
- General experience: At least of 4 years experience in the field of financial administration/accounting/auditing/treasury

management, and donor funded accounting in the public sector entities.

- Should have basic computer skills i.e. world excel power point etc .

7.1 Evaluation Criteria: The evaluation criteria for evaluation for short listing of the consulting firm will be as mentioned below.

- **Experience of Consulting Firm-50%**
 - **General Experience- 20 %**
 - **Specific Experience – 30 %**
- **Qualification of Manpower- 30 %**
 - **Team Leader – 15 %**
 - **Expert (Finance)- 15 %**
 - **Support Staff**
- **Experience of Manpower- 20 %**
 - **Team Leader- 10 %**
 - **Expert (Finance)- 10 %**
 - **Support Staff**

7. 2 Evaluation Criteria: The evaluation criteria for evaluation for proposal(RFP) will be as mentioned below.

- **Experience of Consulting Firm-20%**
 - **Specific Experience – 20 %**
- **Qualification and Experience of Manpower- 50 %**
 - **Team Leader – 25 %**
 - **Expert (Finance)- 25 %**
- **Understanding of ToR- 20 %**
- **Knowledge Transfer and Training- 10%**

8. Starting and Completion of Consultancy Services:

- The total duration of the consulting services is for seven month from the date of signing contract.
- **Training for the staffs of Economic entities should be completed within end of April 2018**
- **Preparation of NPSAS based financial statement of 43 Economic Entities should be completed within end of December.**

9. Facilities/Utilities and logistics to be provided by the Client:

The consultant him/herself shall be responsible for arranging all required utilities/facilities, support staffs and logistics for the completion of the assignment. However, the consultant shall be made available the following facilities/logistics during the service period, if required:

- Shall be made available shared office room with the counterpart employees of the concerned assignment.
- Shall have access to the computer and telephone facilities (local) during the office hours at the FCGO premises.
- FCGO will avail the name of the 43 entities that require to prepare NPSAS based financial statement for final audit purpose.
- FCGO will nominate the participants for the training as per the consultant's training schedule.
- The program and curriculum of the training program should be finalized mutually.
- The relevant information and documents, if any, from FCGO and the concerned authorities.

10. Selection Method: The selection method will be Quality Cost Base Selection (QCBS).

11. Reporting Requirements and Deliverables: The consultant should report during or at the completion of the assignment the following reports and deliver the following outputs:

Reporting Requirements: The Consultant shall prepare and submit the following reports/documents:

- I. **Inception Report:** The consultant shall submit the inception report along with the detailed work plan within 15 days from the date of signing of the agreement.
- II. **Progress Report:** The consultant shall submit the monthly progress report along with the details of the entity which has been technically assisted as well as the reports of the training conducted.
- III. **Final Report:** The consultant shall submit the final report along with details of the entity which has been technically assisted as well as the reports of the training conducted and the achievements of training.

12. Follow up and Monitoring : Deputy Financial Comptroller General of Accounts Strengthening and Human Resource Section will oversee the performance of the consultant as well as lead the Quality Assurance Committee which will review the reports submitted by the Consultant and focal section will be the Strengthening and Human Resource Section of FCGO.