



GOVERNMENT OF ST. CHRISTOPHER AND NEVIS

TERMS OF REFERENCE

THE MAPPING AND PRODUCTION OF PROCEDURES MANUAL FOR THE TREASURY DEPARTMENT

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1. BACKGROUND

The Treasury Department is a Department of the Ministry of Finance, Sustainable Development, Information and Technology of the Federal Government of St. Christopher and Nevis. The mission of this Department is to ensure efficient and effective management and reporting of Government's financial operations, in order to support and foster the achievements of Government's goals and objectives with the highest level of proficiency, confidentiality and professionalism with the support of a well trained and highly motivated staff.

The Department is administered under the Finance Administration Act, 2007 and is mandated to undertake the delegated responsibilities of the Financial Secretary.

In accordance with the directions of the Financial Secretary, the Accountant General, who is in charge of the Treasury Department, is responsible for

- (i) Maintaining the central accounts of the Government so as to show the current state of the Consolidated Fund and the financial condition of the Government.
- (ii) Receiving and banking, or overseeing the receipt and banking, of public money and overseeing its disbursement.
- (iii) Preparing the Public Accounts and any other financial statements or reports required by the Minister or the Financial Secretary.
- (iv) Maintaining a system for the examination of payments to reasonably ensure that they are made in accordance with this Act or the regulations.
- (v) Ensuring that a proper system of accounts is established in every ministry, department and service, and that all money received and paid by the Government is brought promptly and properly to account.
- (vi) Reporting to the Financial Secretary, in writing, any apparent defect in the control of revenue expenditure or cash, or any breach or non-observance of this Act, the regulations or Treasury instructions by a ministry, department or service that may come or be brought to his or her notice.
- (vii) Evaluating accounting and financial management systems throughout Government.
- (viii) Exercising supervision over the receipt of revenue and securing its punctual collection, except where those responsibilities are by law assigned to the Comptroller of Customs, the Comptroller of Inland Revenue or other similar public office.

During the period February to March 2008, the Treasury Department facilitated three separate consultancy engagements geared towards strengthening its overall operations and efficiency:

1. Treasury Review funded by CARTAC from 25 February to 10 March 2008 and conducted by Mr. John Gardner, IMF Panel of Expert Consultants.
2. Debt Review by the firm of Houlihan Lokey Howard & Zukin, London, England and funded by CIDA during 10 – 20 March 2008. Overall engagement of the consultant was for 3 months.
3. Cash Flow Management Project by the ECCB, 24 -31 March 2008.

In addition a Public Finance Management assessment financed by the European Commission was conducted in April 2007 and updated in April 2008 which assessed the status of St. Kitts and Nevis public finance management systems, procedures and practices using the Public expenditure and financial accountability PEFA methodology. The Government adopted a PEFA action plan on the 16th of June 2008 to ensure weaknesses that were identified following the assessments are addressed.

The transition from diagnostics to implementation is therefore essential if the Government is to effectively address the numerous issues affecting the Public Financial Management, such as:

- Inadequate Accounting Systems;
- Ineffective Internal Audit;
- Inadequately trained Debt Management Unit;
- Shortage of qualified Public Financial Management Professionals;
- Poor dissemination of Public Financial Management information; and
- Barriers to an Integrated Financial Management Information System (IFMIS).

2. DESCRIPTION OF THE ASSIGNMENT

2.1 Global objective

The Government of St Kitts and Nevis has embarked on a programme of wide-ranging fiscal and public finance management reforms. This assignment is part of the wider reforms and is directed at strengthening the treasury system by adopting modern treasury management practices through the establishment and maintenance of an Integrated Financial Management Information System (IFMIS).

2.2 Specific Objectives

The specific objective is to support the Government of St. Kitts and Nevis to carry out the mapping and production of a procedures manual which will effectively address the key elements of the current structure of the treasury system which includes budget execution, financial planning, accounting and Government banking arrangements.

Furthermore, this activity is expected to facilitate the development of a business plan, an analysis of the accounting, reporting and cash management systems and review of financial regulations to ensure compliance with the relevant international standards.

2.3 Requested Services

The consultancy services required will include the following:

- 1) The mapping and documentation of the business processes and procedures within the Treasury Department.
- 2) The production of an Operations Manual for the Treasury Department.
- 3) The development of a comprehensive Business Plan for the Treasury Department.
- 4) The review of the system of accounting and reporting to determine the necessary steps to be taken to facilitate the implementation and adoption of an International Public Sector Accounting Standard (IPSAS) such as the Cash Basis IPSAS.
- 5) The development and implementation of a comprehensive Cash Management Strategy for the Public Sector including Cash Flow Projections and Revenue Forecasting and Expenditure Control.
- 6) The development of a financial planning capability which can provide effective Debt and Cash Management to ensure efficient use of government financial resources and control of levels of Government debt and contingent liabilities.
- 7) The review of procedures and reports to determine the level of compliance with the recently enacted Finance Administration Act(FAA), 2007.
- 8) Review of the Draft Financial Regulations to the FAA, 2007 to ensure completeness in order to facilitate enactment during the second quarter of 2009.

2.4 Required Outputs

The specific outputs of this consultancy for the Treasury Department include:

1. Mapping and documentation of the business processes and procedures;
2. An Operations Manual;
3. A Business Plan;
4. A Cash Management Strategy;
5. Review of the current system of accounting and reporting along with recommendations to facilitate implementation and adoption of international standards;
6. An analysis of the management systems along with recommendations for further development or improvement;
7. Review of procedures and reports to determine the level of compliance with the FAA 2007.
8. Review of the draft Financial Regulations to the FAA, 2007 to ensure completeness in order to facilitate enactment during the second quarter of 2009.

3. EXPERT'S PROFILE

3.1 Profile required

The expert shall be of category II with 10 years experience in public sector budgeting and treasury management. He/She must have a degree in accounting, finance, international treasury management or related field, with higher degrees or other relevant professional qualifications being an advantage. He/She must be able to demonstrate an ability to produce a treasury manual, business plan and cash management strategy and must have experience of managing similar consultancy projects. Experience in the Caribbean region will be considered an advantage.

3.2 Number of requested experts per category and number of man-days per expert

One expert will be required to perform the tasks to achieve the expected results as described above. The expert is expected to work seventy (70) man-days over an estimated total duration of five (5) months.

3.3 Working Language

All documents have to be produced in English. The expert must be fluent in spoken and written English.

4. LOCATION AND DURATION

4.1 Starting Period and Foreseen finishing period or duration

The mobilization period is 14 calendar days from the award of contract. The expected starting date is the 2nd of March 2009. The assignment is envisaged to be completed by 3rd of August 2009.

4.2 Planning

The assignment foresees in-country dialogue with the key stakeholders. The Ministry of Finance and specifically the Treasury Department will make readily available related documents (policy documents, studies, strategy papers, etc.) for the consultant. The Treasury Department will provide any additional assistance that will be required in order to facilitate the successful completion of this assignment.

4.3 Location of assignment

The in country mission will take place in St. Kitts and Nevis with two days assigned in Barbados to meet with the European Commission Delegation at the beginning and end of mission. The expert will be provided with office space at the Treasury Department on Church Street, St. Kitts.

5. REPORTING

Name of report/output	Content	Time of submission
Inception Report	Analysis of existing situation and planning of work including work of other components	15 days after start of project.
Mid term Report	Short description of progress including problems encountered; planned activities for remainder of assignment	To be submitted 35 days from start of the assignment.
Final Report	All of the required outputs listed in Section 2.4 should be included in the final report. It should also include a summary of the main findings, achievements and recommendations for the further development of the Treasury Department.	To be submitted 70 days from start of the assignment at the latest 3rd of August 2009.

Comments shall be provided by the beneficiary and the Commission on all reports within 10 days. The Consultant will be required to present all submissions in both hard and electronic copies as follows:

RECIPIENT	No. of Copies
Ministry of Finance St. Kitts and Nevis	2
NAO, Ministry of Sustainable Development, St. Kitts and Nevis	2
EU Delegation in Barbados	2
Total copies	6

The working language will be English. All documents will be written in English.

6. PAYMENTS

The contract is a fee-based contract (‘contract under which services are provided on the basis of fixed fee rates each day worked by experts , the final payment is based on the real costs established on the basis of supporting documents (timesheets- a copy is sufficient, original invoices, etc.). The maximum budget for the assignment is EUR 90,000.00, which includes fees for the indicated man-days, per diems and reimbursable costs such as travels to Barbados and St. Kitts and Nevis and the production of the manuals and other documentation.