

REQUEST FOR EXPRESSIONS OF INTEREST
(REoI# MF-IC-9)
(CONSULTING SERVICES – INDIVIDUAL CONSULTANT)

UKRAINE

STRENGTHENING PUBLIC RESOURCE MANAGEMENT PROJECT, PART B: SUPPORT TO PFM STRATEGY IMPLEMENTATION (PROJECT NUMBER P161586)

Grant No. TF0A5324

Assignment Title: National Consultant on enhancement of Ukrainian PSA regulations to international standards (Expert 3)

Reference No. MF-IC-9

The Government of Ukraine has received financing from the World Bank acting as administrator of the grant funds provided by the European Commission on behalf of the European Union under the EC - World Bank Partnership Program for Europe and Central Asia Trust Fund (EU Programme for the Reform of Public Administration and Finances (EUroPAF) toward the cost of the Strengthening Public Resource Management Project, and intends to apply part of the proceeds for consulting services.

The Ministry of Finance of Ukraine (“MoF”) is responsible for the implementation of Part B of the Project and, in order to strengthen its capacity to implement the Project, engages based on competition an individual consultant (“Consultant”) for implementation of the provisions of the Strategy of modernization of the system of accounting and financial reporting in the public sector for the period until the year 2025 in terms of improvement and update of the regulatory base of public sector accounting and financial reporting, as well as increase of transparency of financial reporting in the public sector and holding education activities for accountants on issues of application of the new conceptual framework.

The consulting services (“the Services”) include services to the MoF on support of implementation of the Accounting Strategy:

- Increase of the level of transparency and quality of financial reporting;
- Improvement and update of the regulatory base on public sector accounting and financial reporting.

The Services are to be rendered at Consultant`s place of residence.

The expected period of services rendering comprises 90 working days throughout the period from November 2020 until March 2021.

More detailed information is stipulated in the ToR which is attached.

The MoF now invites eligible individual international consultants – physical persons (“Candidates”) to indicate their interest in providing the Services in the form of CV (in Ukrainian or English).

Interested candidates should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The candidates shall provide confirmation in the form of references to publicly confirmed and accessible information, or provide copies of relevant documents confirming the respective status or condition.

Interested Candidates are invited to submit any supplementary documents to evidence that Candidate meets the qualification criteria for the position of the Consultant.

Mandatory qualification of the Consultant:

- Bachelor's or Master's (Specialist's) degree in economics / public finance/accounting and audit;
- at least 5 years of experience in development of legislative and regulatory documents, conduction of scientific research for public sector financial and accounting services;
- fluent speaking and writing in Ukrainian;
- knowledge of English on a sufficient level for working through relevant documentation without a dictionary.

The attention of interested Candidates is especially drawn to additional Consultants qualification requirements corresponding to the peculiarities of the assignment, meeting them would be an advantage:

- confirmed experience in adaptation of the national legislation on public sector finances and accounting with the European legislation;
- experience in analysis/research in the field of public sector finances and accounting;
- level of knowledge confirmed with a certificate from an international certification program on public sector accounting.

The attention of interested Candidates is drawn to Section III, paragraphs, 3.14,3.16, and 3.17 of the World Bank's "[Procurement Regulations for IPF Borrowers](#)", July 1, 2016 with revisions as of November 2017 and August 2018"("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest.

A Consultant will be selected in accordance with the Selection of Individual Consultants method (IC) set out in the Procurement Regulations.

Interested Candidates may obtain further information at the address below during office hours: 10:00 to 18:00.

Contact person: Volodymyr Vorotyuk

Tel: +38 044 206 5773, 380 50 4100340

E-mail: vorotyuk@outlook.com

Expressions of interest must be delivered by mail, fax or e-mail to the address below by 5 pm on November 6, 2020.

For EoIs submission:

Ministry of Finance of Ukraine

Attn: Mr. Igor Shevliakov, Head, Expert Group for EU Integration, Directorate for Strategic Planning and European Integration

The letter subject is – “Expression of interest on - MF-IC-9, National Consultant on enhancement of Ukrainian PSA regulations to international standards (**Expert 3**)
E-mail: shevliakov@minfin.gov.ua mandatory copy to: vorotyuk@outlook.com.

TERMS OF REFERENCE

for provision of consulting services:

National Consultant on enhancement of Ukrainian PSA regulations to international standards (Expert 9)

(Individual consultant)

Contract reference No.: MF-IC-9

1. BACKGROUND INFORMATION

The Government of Ukraine has received financial assistance from the International Bank for Reconstruction and Development (“the World Bank”), acting as administrator of the grant provided by the European Commission on behalf of the European Union (“Donor”) under the EC-World Bank Partnership Program for Europe and Central Asia Programmatic Single-Donor Trust Fund (EU Programme for the Reform of Public Administration and Finances (EUroPAF) three million thirty thousand six hundred sixty-one Euros (EUR 3,030,661) (“Grant”) to implement the Strengthening Public Resource Management Project (“Project”). This Project consists of two parts: Part A “Strengthening Human Resource Management in Public Administration Institutions”; and Part B “Support to PFM Strategy Implementation”.

Part B of the Project, total amount of which is one million one hundred ten thousand six hundred eighteen Euros (EUR 1,110,618), supports the activities aimed at implementing the PFM Strategy for 2017-2020 and identifies future investments in ICT for PFM through carrying out the audit of ICT; modernization of existing ICT equipment for business continuity at the Ministry of Finance of Ukraine (“MoF”); and strengthening ICT system capabilities, etc.

To achieve the objective, one of the main tasks of the PFM Strategy is increase of the level of transparency and accountability in public finance management, improvement of prompt response and completeness of the system of information support of the state bodies and other stakeholders on the stages of fulfillment and results of implementation of the PFM Strategy of Ukraine. The basis for timely and precise informing on the results of fulfillment of budgets for ensuring medium and long-term budget planning, as well as constant efficient control over usage of funds for the purpose intended shall be public sector accounting, transformation of which shall comply with the objectives of the PFM process and facilitate its efficiency. Thus, reforming the public sector accounting is a key task and shall be resolved in the framework of development of legislative regulation of accounting, increase of financial reporting accessibility for various user groups, automation and integration of accounting procedures in the public sector.

MoF is responsible for the implementation of Part B of the Project and, in order to strengthen its capacity to implement the Project, engages based on competition an individual consultant (“Consultant”) for implementation of the provisions of the Strategy of modernization of the system of accounting and financial reporting in the public sector for the period until the year 2025 in terms of improvement and update of the regulatory base of public sector accounting and financial

reporting, as well as increase of transparency of financial reporting in the public sector and holding education activities for accountants on issues of application of the new conceptual framework.

Thus, development of the accounting system will be continued in terms of fulfillment of the following tasks:

- Update of provisions of the national public sector accounting standards through preparation of transpositional tables with the purpose of implementation of the requirements of the updated international standards of public sector accounting, which need to be included into the Ukrainian legislation;
- Improvement of the contents of Notes to financial statements of public sector entities for increase of transparency and completeness of information disclosures, as well as evaluation of the possibility of fulfillment of PEFA evaluation requirements;
- Carrying out activities on training and qualification improvement for accountants of public sector entities with regard to the procedure of interpretation of the vocabulary of the conceptual framework of the national public sector accounting standards, application of legislative provisions in the practical conditions of implementation of budgets of various levels and implementation of the PFM reform.

2. PROBLEM DESCRIPTION

Currently Ukraine has the legislative base formed, which complies with the requirements on transparency, completeness of information presentation on budgets fulfillment results per public sector assets, liabilities, income and expenditures. The new conceptual framework for accounting was implemented in the form of developed National Public Sector Accounting Standards (– “NPSAS”) made effective, guidelines were developed on application of the NPSAS and of the new Plan of Accounts in the Public Sector.

At the same time, it is necessary to align the NPSAS provisions with the changes in the International Public Sector Accounting Standards (“IPSAS”). In this case, it is important to hold preliminary analysis of advisability of incorporating such changes into the NPSAS, defining whether alignment of NPSAS with the IPSAS would resolve the existing problem, which caused the discrepancies.

Thus, the main problem contains definition of the level of update of public sector accounting legislative norms and evaluation of the possibility of their short and long-term implementation into the public sector accounting practice in Ukraine. The main task is to identify the changes to be incorporated, defining the limitations and risks of their implementation.

3. OBJECTIVES OF THE ASSIGNMENT

The purpose of the assignment is rendering services to the MoF on support of implementation of the Accounting Strategy:

- Increase of the level of transparency and quality of financial reporting;
- Improvement and update of the regulatory base on public sector accounting and financial reporting

4. SCOPE OF CONSULTING SERVICES AND TASKS

The Individual Consultant shall perform the following tasks according to the stages below:

4.1 Improvement and update of the regulatory base on public sector accounting and financial reporting through analysis of compliance based on transpositional tables, and studying the possibility to incorporate the norms of the IPSAS in the NPSAS.

On the analysis stage the Consultant shall:

4.1.1. analyze the contents and determine relevance of the NPSAS, other regulatory documents on accounting, and fulfillment of the budget of Ukraine;

4.1.2. determine compliance of NPSAS provisions with the latest version of the IPSAS in terms of the following standards:

- a) IPSAS 3 Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies;
- b) IPSAS 21 Impairment of Non-Cash-Generating Assets;
- c) IPSAS 26 Impairment of Cash-Generating Assets;
- d) IPSAS 28 Financial Instruments: Presentation;
- e) IPSAS 29 Financial Instruments: Recognition and Measurement;
- f) IPSAS 30 Financial Instruments: Disclosures.

On the stage of implementation of the analysis results and recommendations provision, the Consultant shall:

4.1.3. provide recommendations on advisability to incorporate the latest amendments in the IPSAS into the NPSAS;

4.1.4. provide recommendations on the need to develop new NPSAS on the current stage.

4.2 Determining the format and contents of disclosure in notes to financial statements of information regarding the differences in the applied NPSAS from the IPSAS and on the entity making such disclosures, based on the results of the PEFA evaluation.

On the analysis stage the Consultant shall:

4.2.1. analyze the world experience of separate countries, which apply national accounting standards without direct application of the accrual method, fulfillment of indicator No. 29.3 of the PEFA Evaluation concerning the difference between the national standards and IPSAS, and prepare comparative tables and graphs regarding the information disclosed in Notes to financial statements. The list of countries for conduction of the analysis will be agreed with the International Consultant on enhancement of Ukraine PSA regulation to international standards (“International Consultant”);

4.2.2. study the experience of certain countries, which apply national public sector accounting standards, and determine the possibilities of incorporation of IPSAS norms into the national legislation, namely: a) work out the format of presentation of comparison between NPSAS and IPSAS norms in notes to financial statements of public sector entities in terms of application of the accrual method; b) prepare a pilot format for disclosure of the relevant information in notes to financial statements in terms of application of the accrual method. The list of countries for conduction of the analysis will be agreed with the International Consultant;

On the stage of implementation of the analysis results and recommendations provision, the Consultant shall:

4.2.3. generalize the materials received and prepare proposals on adoption of an optimal option of disclosure of the relevant information with account of the status of IPSAS norms implementation in Ukraine, including the list of regulatory acts to be amended, with description of such amendments;

4.2.4. agree the proposals with the International Consultant, MoF, the Methodological Accounting Council under the MoF.¹

4.2.5. prepare and submit the final recommendations on precisising the format and criteria of disclosure in notes to financial statements of information regarding discrepancies between the applied NPSAS and the IPSAS, as well as define the list of legislative documents to be amended, with description of such amendments.

5. DELIVERABLES AND TIMING FOR THEIR PROVISION

The Consultant shall prepare the following results²:

No.	Result	Deadline for fulfillment <i>(provision of the result from the date of contract signing)</i>
1	<p>Report #1 on the results of comparison of the national and international legislative documents based on the scope of the assignment, specified in para 4.1 of Section 4, including:</p> <p>Transposition tables prepared and agreed with the International Consultant, on the following: IPSAS 3 Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies; IPSAS 21 Impairment of Non-Cash-Generating Assets; IPSAS 26 Impairment of Cash-Generating Assets.</p> <p>Comparative tables and conclusions based on the result of the conducted analysis on advisability of amendments to NPSAS and the need for development of new NPSAS.</p>	<p>Not later than 3 months The expected working time to be spent generally shall not exceed 35 working days (the stated number of days is subject to negotiations with the successful consultant)</p>
2	<p>Report # 2 on the results of comparison of the national and international legislative documents based on the scope of the assignment, specified in para 4.1 of Section 4, including:</p> <p>Transposition tables prepared and agreed with the International Consultant, on the following: IPSAS 28 Financial Instruments: Presentation; IPSAS 29 Financial Instruments: Recognition and Measurement; IPSAS 30 Financial Instruments: Disclosures.</p>	<p>Not later than 5 months The expected working time to be spent generally shall not exceed 35 working days (the stated number of days is subject to negotiations with the successful consultant)</p>

¹ MoF is responsible for coordination of the Consultant`s proposals with the Methodological Accounting Council

² The mix of deliverables and the timing of fulfillment of the assignment may be precisised during the contractual negotiations with the Consultant, as per the proposed methodology of services rendering.

	Comparative tables and conclusions based on the result of the conducted analysis on advisability of amendments to NPSAS and the need for development of new NPSAS.	
3	<p>Draft Report with recommendations on precisising the disclosure format and criteria in notes to financial statements with regard to differences between the applied NPSAS and the IPSAS based on the scope of the assignment, specified in para 4.1 of Section 4,including:</p> <ul style="list-style-type: none"> - Generalized draft analysis of the world experience of countries, which apply national accounting standards without direct application of the accrual method, fulfillment of indicator No. 29.3 of the PEFA Evaluation concerning the difference between the national standards and IPSAS in the form of comparative tables and graphs regarding the information disclosed in Notes to financial statements; - Information on studying the experience of countries, which apply national public sector accounting standards, and recommendations on the possibilities of incorporation of IPSAS norms into the national legislation in terms of application of the accrual method, including: a) draft format of presentation of comparison between NPSAS and IPSAS norms in notes to financial statements of public sector entities, definition of the contents; b) a pilot format for disclosure of the relevant information in notes to financial statements; - draft of brief outline of the main criteria of determining changes in evaluation of assets of an entity in disclosure of the relevant information in notes to financial statements; - draft Final recommendations agreed with the International Consultant, MoF, the Methodological Accounting Council under the MoF, on the format and criteria of disclosure in notes to financial statements of information regarding the differences between the applied NPSAS and IPSAS in terms of application of the accrual method, as well as list of regulatory acts to be amended, with description of such amendments. 	<p>Not later than 3.5 months The expected working time to be spent generally shall not exceed 13 working days (the stated number of days is subject to negotiations with the successful consultant)</p>
4	Report with recommendations on precisising the disclosure format and criteria in notes to financial statements with regard to differences between the applied NPSAS and the IPSAS based on the scope of the assignment, specified in para 4.1 of Section 4,including:	<p>Not later than 5 months The expected working time to be spent generally shall not exceed 7 working days</p>

<ul style="list-style-type: none"> - Generalized analysis of the world experience of countries, which apply national accounting standards without direct application of the accrual method, fulfillment of indicator No. 29.3 of the PEFA Evaluation concerning the difference between the national standards and IPSAS in the form of comparative tables and graphs regarding the information disclosed in Notes to financial statements; - Information on studying the experience of countries, which apply national public sector accounting standards, and recommendations on the possibilities of incorporation of IPSAS norms into the national legislation in terms of application of the accrual method, including: a) draft format of presentation of comparison between NPSAS and IPSAS norms in notes to financial statements of public sector entities, definition of the contents; b) a pilot format for disclosure of the relevant information in notes to financial statements; - brief outline of the main criteria of determining changes in evaluation of assets of an entity in disclosure of the relevant information in notes to financial statements; - Final recommendations agreed with the International Consultant, MoF, the Methodological Accounting Council under the MoF, on the format and criteria of disclosure in notes to financial statements of information regarding the differences between the applied NPSAS and IPSAS in terms of application of the accrual method, as well as list of regulatory acts to be amended, with description of such amendments. 	<p>(the stated number of days is subject to negotiations with the successful consultant)</p>
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6. COORDINATION, ACCOUNTABILITY AND REPORTING

The Consultant shall work under the supervision of the Project Coordinator from the MoF and shall be accountable/report to him/her.

The Consultant shall coordinate his/her work with the International Consultant in accordance with the implementation plan and scope of each work stage, of the contents of the preceding result, and provision of the output information on tasks fulfillment by MoF.

The Consultant shall transfer all materials (Ukrainian versions) for review and comments by the International Consultant, as provided in Section 4 of the present Terms of Reference, via MoF by sending it via email _____. MoF provides translation of submitted materials into English and transfer them to the International Consultant for review and comments.

Comments of the International Consultant provides to the Consultant in English via MoF.

With regard to fulfillment of the assignment specified in para 4.1-4.2 of Section 4 of the present Terms of Reference, the Consultant may, in frames of operational interaction, cooperate with:

- National Consultant on Enhancement of Ukrainian PSA regulations to international standards (Expert 1); and
- National Consultant on Enhancement of Ukrainian PSA regulations to international standards (Expert 2).

The Consultant shall prepare and submit the following reports:

- Report # 1 on the results of comparison of the national and international legislative documents;
- Report # 2 on the results of comparison of the national and international legislative documents;
- Draft Report with recommendations on precisising the disclosure format and criteria in notes to financial statements with regard to differences between the applied NPSAS and the IPSAS
- Final Report with recommendations on precisising the disclosure format and criteria in notes to financial statements with regard to differences between the applied NPSAS and the IPSAS.

1. The Consultant shall submit to MoF the Report # 1 on the results of comparison of the national and international legislative documents not later than the deadline set for result No. 1 in Section 5 of the present Terms of Reference. The report is prepared based on the results of tasks fulfillment and shall contain the following information:

- general information on the fulfilled stage;
- transpositional tables as per the list specified in item 4.1.2;
- generalized analysis of advisability of amendments to NPSAS and the need for development of new NPSAS;
- other information upon the Consultant's discretion.

2. The Consultant shall submit to MoF the Report # 2 on the results of comparison of the national and international legislative documents not later than the deadline set for result No. 2 in Section 5 of the present Terms of Reference. The report is prepared based on the results of tasks fulfillment and shall contain the following information:

- general information on the fulfilled stage;
- transpositional tables as per the list specified in item 4.1.2;
- generalized analysis of advisability of amendments to NPSAS and the need for development of new NPSAS;
- other information upon the Consultant's discretion.

3. The Consultant shall submit to MoF the Draft Report with recommendations on precisising the disclosure format and criteria in notes to financial statements with regard to differences between the applied NPSAS and the IPSAS not later than the deadline set for result No. 3 in Section 5 of the present Terms of Reference. The report is prepared based on the results of tasks fulfillment and shall contain the following information:

- general information on the fulfilled stage;

- generalized analytical materials and recommendations as per the list of documents specified in para 3 of Section 5 of the present Terms of Reference;
- other information upon the Consultant's discretion.

4. The Consultant shall submit to MoF the Final Report with recommendations on precisising the disclosure format and criteria in notes to financial statements with regard to differences between the applied NPSAS and the IPSAS not later than the deadline set for result No. 4 in Section 5 of the present Terms of Reference. The report is prepared based on the results of tasks fulfillment and shall contain the following information:

- general information on the fulfilled stage;
- generalized analytical materials and recommendations as per the list of documents specified in para 2 of Section 5 of the present Terms of Reference;
- other information upon the Consultant's discretion.

5. Requirements to the reports

All reports are compiled in Ukrainian language.

All reporting documents shall be submitted by the Consultant in the following manner:

- The Consultant shall submit the reporting documents in electronic form via email: _____ for review and comments by the MoF (reports shall be signed by the Consultant, scanned in pdf format and sent from Consultant's e-mail indicated in para. 6 below). Supporting documents shall be in the MS Word, MS Excel or MS PowerPoint format or any other form previously agreed with or acceptable to the MoF, depending on the type of a document.
- If the MoF agreed reporting documents submitted via email, the Consultant shall submit them in paper form in 2 hard copies signed by the Consultant. The Paper version shall be submitted on the following address: Kyiv, 04071, Mezhegirska str., build. 11, Attn to Mr. Igor Shevliakov.

If the Consultant's report refers to information or documents prepared earlier, such documents shall be attached to such a report.

6. Review and approval of the Reports

MoF reviews the submitted reporting and approves or submits comments within 10 working days from the date of receiving the relevant report about the results of the work. The comments on the reports are set out in writing and sent to the Consultant via email: _____ with the notification of delivery of the message. The Consultant confirms the receipt of the comments and sets the deadline for their consideration within a day after receiving MoF's comments. The Consultant shall take into account the MoF's comments and re-submit updated report(s) MoF no later than within 5 working days from the date of their receipt to the e-mail, specified by the Consultant.

In the absence of the Customer's comments within the specified period, such reports are considered accepted.

7. CLIENT'S INPUT

MoF provides the Consultant with:

- i) all relevant documents and data, in accordance with the current legislation of Ukraine,

- ii) organizing of all needed meetings with internal and external stakeholders with provision of necessary translations if needed
- iii) provides translation into English of all documents prepared the Consultant for review by the International Consultant.

8. PLACE, DURATION, WORKING CONDITIONS AND REMUNERATION

The expected period of services rendering comprises 90 working days throughout the period from November 2020 until March 2021. The assignment envisages the Consultant's work both at his/her place of residence.

The amount of the remuneration will be determined through negotiations with the selected person and payment for the services provided will be made against reports accepted.

The Consultant shall be responsible for all expenses he/she incurs in relation to rendering the services and not provided by the MoF as indicated in Section 7 of the present Terms of Reference.

The selection of consultant will be done in accordance with the Bank's "[Procurement Regulations for IPF Borrowers](#)", July 1, 2016 with revisions as of November 2017 and August 2018 ("Procurement Regulations").

9. QUALIFICATION REQUIREMENTS

The Consultant shall meet the following qualification requirements:

Mandatory qualification for the Consultant:

- Bachelor's or Master's (Specialist's) degree in economics / public finance/accounting and audit;
- at least 5 years of experience in development of legislative and regulatory documents, conduction of scientific research for public sector financial and accounting services;
- fluent speaking and writing in Ukrainian;
- knowledge of English on a sufficient level for working through relevant documentation without a dictionary.

Additional qualification requirements corresponding to the peculiarities of the assignment, meeting them would be an advantage

Meeting the following qualification requirements by the Consultant would be considered by the MoF as an advantage:

- confirmed experience in adaptation of the national legislation on public sector finances and accounting with the European legislation;
- experience in analysis/research in the field of public sector finances and accounting;
- level of knowledge confirmed with a certificate from an international certification program on public sector accounting.

The candidates shall provide confirmation in the form of references to publicly confirmed and accessible information, or provide copies of relevant documents confirming the respective status or condition.