



Government of the Federated States of Micronesia
Department of Finance & Administration
P.O Box PS158 Palikir, Pohnpei FM 96941

**REQUEST FOR EXPRESSIONS OF INTEREST
(INDIVIDUAL CONSULTING SERVICES)**

Country: FEDERATED STATES OF MICRONESIA

NAME OF PROJECT: Project for Strengthening Public Financial Management (P181237)

GRANT NO.: IDA-E4120

ASSIGNMENT TITLE: 5 Finance Consultants (One per State and one for National Government)

The Government of The Federated States of Micronesia (FSM), with support from the World Bank, is implementing the Strengthening Public Financial Management II Project (P181237) and intends to apply part of the proceeds for consulting services.

The consulting services ("the Services") involves supporting the implementation of the Public Financial Management II Project. The Government seeks to engage five (5) qualified Certified Public Accountants to support the National, the State of Kosrae, Yap, Chuuk and Pohnpei to preside over a complete and accurate Financial Management Information System roll out and strengthen financial reporting and Public Finance Management practices.

The detailed Terms of Reference (TOR) for this assignment can be found at the following website: <https://dofa.gov.fm>, on this REOI, and can be obtained at the address given below.

The Department of Finance and Administration now invites eligible individuals ("Consultants") to indicate their interest in providing the Services.

Interested Consultants must:

1. Clearly state the preferred duty station, that is, National Government or either the State of Kosrae, Yap, Chuuk or Pohnpei.
2. Provide information demonstrating that they have the required qualifications and relevant experience to perform the Services (**attach a curriculum vitae and cover letter clearly outlining experience in similar assignments, similar conditions, etc. and two references**).

The criteria for selecting the Consultant are:

Mandatory Qualifications

- Education: A Master's degree in Accounting. A Certified Public Accountant (CPA) designation is highly preferred. If you do have a CPA qualification and a different degree that relates to Finance, Information Systems, Public Administration or equivalent in a related field, you are encouraged to apply.
- Professional Experience: A minimum of 10 years of progressive experience in public sector accounting, financial management, and Public Financial Management (PFM) reforms.

- Technical Expertise:
 - Demonstrated expertise in the application of Governmental Accounting Standards Board (GASB) pronouncements and Generally Accepted Accounting Principles (GAAP).
 - Extensive experience with Financial Management Information System (FMIS) implementation and data migration, specifically with public sector clients.

Desired Qualifications

- Software Proficiency: Experience with Fundware and/or FreeBalance software.
- Capacity Building: Proven ability to work with and train government staff on financial reporting, PFM principles, and new software systems.
- Analytical Skills: Excellent analytical, communication, and report-writing skills.
- Geographic Experience: Prior experience working with island nations or small governments.
- Governmental Accounting Knowledge:
 - Thorough knowledge of concepts and principles related to governmental fund financial statements.
 - Experience in constructing the Statement of Net Position in government-wide financial statements.
 - A working understanding of the three categories of Net Position, and how to distinguish between program and general revenue.
 - Familiarity with the differences between Transfers and Internal Balances accounts.
 - A strong grasp of the five categories of Fund Balance.
 - Knowledge of the differences (for governmental funds) between Revenues and Other Financing Sources and Expenditures and Other Financing Uses.

The attention of interested Consultants (including firms) is drawn to paragraph 3.14, 3.16 and 3.17 of the **World Bank's Procurement Regulations for IPF Borrowers Fifth Edition, September 2023** ("the Regulations"), setting forth the World Bank's policy on conflict of interest.

Further information can be obtained at the address below during office hours **0800 to 1700s**. Expressions of interest must be delivered in a written form to the address below (in person, or by mail or by e-mail) **by 5 pm (PNI time) October 31, 2025**.

Secretary, FSM Department of Finance and Administration
 Attn: Kwame Shiroya
 P.O. BOX PS-158
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 E-mail: kwame.shiroya@dofa.gov.fm
 And CC: ciu.dofa@gov.fm

Terms of Reference – Finance Consultants

Title:	5 Finance Consultants (One per State and One for National Government)
Location:	Finance Departments: State and National Government
Duration:	12 months
Tentative Start Date:	As soon as possible

1. Background

The project, FSM Strengthening Public Financial Management II (PFM II), builds upon key public financial management (PFM) reforms achieved under the previous FSM Project for Strengthening Public Financial Management (P161669) (PFM I). The objective of PFM II is to improve fiscal management practices and increase fiscal transparency at the National Government level. PFM II supports key strategic areas defined in FSM's 2023-2026 PFM Reform Roadmap, e.g. addressing challenges in core institutional public finance capacity. Specifically, the project supports:

- a. Improved fiscal management practices and controls (Component 1)
- b. Expanded core financial management information systems (Component 2)
- c. Enhanced human resource capacity, communications and change management (Component 3)
- d. Project management (Component 4)

The Federated States of Micronesia (FSM) Department of Finance & Administration is committed to enhancing its financial reporting and overall public financial management (PFM) capabilities. The Government's financial statements must adhere to a complex set of reporting requirements, including those of the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). Additionally, the FSM Government operates with various funds and component units, which necessitate specialized accounting and reporting treatments. Beyond financial reporting, the Government seeks to strengthen its budget preparation process, internal controls, and overall compliance framework to ensure greater efficiency, transparency, and accountability.

To address these challenges and improve the quality of financial management, the FSM Department of Finance & Administration seeks to engage a highly qualified Consulting Firm and or group of Consultants with expertise in public sector accounting, GASB, GAAP, fund accounting, and broader PFM principles.

2. Objective

The primary objective of is to:

1. Verify revenues and expenses, including payroll and other financial transactions for accuracy and completeness for FY 22/23/24.

2. Transaction Review: conduct a transaction and reconciliation that is the process of validating data originating in Fundware to the data captured in FreeBalance (the Financial Management Information System).
3. Establish and implement a robust method to assign attributes and to validated revenues and expenditures.
4. Assist the relevant staff to input the data on to the Financial Management Information System.
5. Data migration: ensuring that the data migrated from Fundware to FreeBalance (the Financial Management Information System) is accurate.
6. Standards: ensure adherence to GASB and GAAP standards are accurately reflected during data migration.

3. Scope of Work

The consultant will be responsible for, but not limited to, the following tasks:

- **Data Migration and System Transition:**
 - Data Mapping and Cleansing: Lead the effort to map financial data from the existing Fundware system to the new FreeBalance software. This includes working with staff to identify and cleanse data, ensuring its accuracy and completeness before migration.
 - Transition Strategy: Develop a detailed strategy for the data migration, including a timeline, roles and responsibilities, and contingency plans.
 - Validation: Work with the FSM team to develop and execute validation procedures to ensure that all migrated data is accurate and correctly populated in the FreeBalance system.
 - Post-Migration Support: Provide on-site and remote support to address any data-related issues that arise immediately after the transition to the new software.
 - Software Training: Collaborate with the software vendor and internal staff to ensure the training program for the new FreeBalance system effectively addresses the needs of all users.
- **Internal Control and Compliance:**
 - Internal Control Framework: review and strengthen the existing accounting policies, procedures and manual to enhance the internal control framework, focusing on key financial processes such as revenue collection, asset management, payroll, etc.
 - Compliance: assist in the development of a compliance checklist or a compliance-monitoring system to ensure adherence to financial/accounting regulations, laws, and policies.
 - Risk Assessment: Conduct a risk assessment of key financial processes and recommend mitigation strategies.
- **Accounting and Financial Reporting support**
 - Train accountants in government institutions on how to post accounting entries in the FreeBalance system and provide on the job support.

- Support government accountants to produce monthly reports on the FreeBalance system
- Provide on the job support to do bank reconciliations and enter government assets into the FreeBalance system.
- **Knowledge Transfer:**
 - Conduct workshops and one-on-one training sessions for the Department of Finance & Administration staff on financial reporting, PFM principles, and internal controls.
 - Assist in the development or revision of financial reporting, budgeting, and internal control policies and procedures to align with best practices and international standards.

4. Deliverables

The consultant will be expected to produce the following deliverables:

- An initial assessment report detailing a gap analysis of the FSM's current financial reporting and PFM practices.
- A detailed report on the review and recommendations for improving the internal control and compliance framework.
- Migration of accurate financial data on to the in FreeBalance (the Financial Management Information System).
- Recommend a financial accounting verification software for downstream use.
- A final report detailing the project's activities, findings, and recommendations for future improvements.

5. Qualifications and Experience

The ideal candidate will have a strong background in public sector finance, including extensive experience with government accounting standards, financial systems, and capacity building.

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6. Duration and Reporting

- Duration: The consultancy is expected to be for a period of 1 year.
- Reporting: The Consultant(s) will report directly to the Secretary of the FSM Department of Finance & Administration or a designee.
- Regular progress reports will be required on monthly basis.