



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: Internal Audit Advisor

REFERENCE NO.: FM-DOFA-527539-CS-INDV

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 project proceeds toward consulting services.

The consulting services ("the Services") involve providing specialized technical assistance to establish and strengthen the Internal Audit function within the Department of Finance and Administration (DoFA). The Government seeks to engage a highly qualified Internal Audit Advisor to support the development of internal audit systems, frameworks, methodologies, and capacity, and to guide DoFA in establishing a sustainable, modern internal audit function in line with international standards.

The detailed Terms of Reference (TOR) for this assignment can be found on the Department of Finance and Administration website at <https://dofa.gov.fm>, attached to this REOI, or may be obtained at the address below.

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

Interested Consultants must submit:

1. **A curriculum vitae (CV) and cover letter** demonstrating that they possess the required qualifications and relevant experience to undertake the Services, including experience in internal auditing, internal control frameworks, public sector governance, and similar assignments.
2. **Names and contact details of two professional references.**

The criteria for selecting the Consultant are:

Mandatory Requirements

- Professional certification (e.g., CIA, CPA, ACCA, CA)
- Minimum 10 years of progressive experience in internal auditing & risk management
- Proven Experience establishing internal audit functions in public sector environment

Desired Qualifications

- Experience working in government finance departments, treasury, or oversight institutions
- Senior-level experience in public financial management reforms
- Proven ability to develop internal audit charters, mandates, manuals, methodologies, templates, standard operating procedures (SOPs), or risk-based audit plans
- Demonstrated experience in capacity building, staff training, mentoring, and institutional strengthening
- Experience in Pacific Island countries, small-island developing states, or similar resource-constrained environments
- Familiarity with development partner-funded projects (e.g., World Bank, Asian Development Bank, or similar)
- Demonstrated experience in establishing, strengthening, or significantly contributing to internal audit functions (preferably in public sector or government environments)
- Strong understanding of public sector internal controls, governance, risk management and risk-based audit methodologies.

The attention of interested consultants is drawn to paragraphs **3.14, 3.16, and 3.17** of the **World Bank Procurement Regulations for IPF Borrowers (Seventh Edition, September 2025)**, which outline the World Bank's policy on conflict of interest. Consultants shall not be hired for any assignment that would conflict with their prior or current obligations to other clients, or may place them in a position of being unable to carry out the assignment in the best interests of the Borrower.

Further information may be obtained at the address below during office hours from **8am to 5pm**.

Expressions of Interest must be submitted **by email only** to the following addresses:

Peni Tikoisireli – peni.tikoisireli@dofa.gov.fm

Arrio Abello – arrio.abello@dofa.gov.fm

Submissions must be received **no later than 5:00 PM (PNI time), December 24th, 2025**.

Terms of Reference – Internal Audit Advisor

Title:	Internal Auditor – Department of Finance and Administration
Location:	Palikir, National Government of the Federated States of Micronesia - Department of Finance and Administration (DoFA)
Duration:	Initial contract duration of 2 years (full time) with the potential to extend based on available finance and satisfactory performance
Tentative Start Date:	As soon as possible

BACKGROUND

The Government of the Federated States of Micronesia (FSM) has received a grant from the World Bank to improve fiscal management practices and increase fiscal transparency at the National Government level. The project builds upon key public financial management (PFM) milestones achieved under the previous PFM I project and intends to institutionalize those achievements by:

- Expanding the core financial management information system (FMIS) to line departments and agencies
- Improving DoFA systems and processes in budget formulation and execution, procurement, treasury functions, revenue functions, internal controls, and reporting
- Strengthening technical capacities of the Department of Finance & Administration (DoFA)
- Reviewing existing DoFA (including PFM) legislation to identify changes to support transition to a digital PFM environment

This position is financed under the World Bank-funded Strengthening PFM II Project strictly as a technical assistant and capacity-building role. In line with the Project Appraisal Document (PAD) and the Financing Agreement (Schedule 1, Part 1.1), the Internal Auditor will support the *establishment and development* of a new Internal Audit function within DoFA. As DoFA does not currently have an Internal Audit Unit, the consultant's role is to design the function, develop all foundational systems and frameworks, and build the capacity of staff to operate it. The role does not perform recurrent internal audit operations; instead, it provides advisory support, systems development, and hands-on capacity transfer to enable DoFA to sustainably run its own Internal Audit Unit after project completion.

The Internal Auditor will therefore lead the full establishment process for the Internal Audit Unit, including proposing its structure, staffing plan, function, and operational procedures for final approval by DoFA leadership.

PURPOSE AND OBJECTIVES OF THE ROLE

The Internal Auditor is responsible for supporting DoFA in strengthening internal controls, governance, compliance systems, and internal audit practices. Consistent with the PAD and Financing Agreement, the Internal Auditor's duties focus on developing frameworks, methodologies, systems, training, and pilot activities that build long-term institutional capacity. Operational internal audit activities will be undertaken by DoFA staff, with the consultant providing guidance, frameworks, and training through pilot audits where appropriate.

SCOPE OF SERVICES

General Duties

Duties shall be advisory and capacity-building in nature, ensuring compliance with Project financing rules that limit consultant inputs to technical assistance, systems strengthening, and institutional development.

Specific Duties

Governance

- Engage with DoFA leadership to define roles, responsibilities, and authority of the internal audit function.
- Develop the Internal Audit Mandate and Charter.
- Create the audit charter outlining purpose, independence, and scope.
- Governance instruments shall support establishment of the Internal Audit Unit and enable sustainable long-term functionality.

Compliance

- Develop all foundational documents for the Internal Audit Unit, including:
 - Internal Audit Mandate
 - Internal Audit Charter
 - Risk-Based Audit Methodology
 - Annual Audit Plan
 - Internal Audit Manual
 - Audit Programs and Templates

These documents will support institution-building under PAD Component 1 and Financing Agreement Part 1.1. Reforms will reinforce DoFA's capacity and not substitute consultant-led operations.

Operations

- Define and document the audit function's core tasks and processes to enable DoFA staff to independently conduct internal audits.
- Provide templates, workflows, and systems to strengthen institutional capacity.
- Set up systems for audit documentation and tracking.
- These systems will support DoFA operations but will not involve the consultant performing ongoing audit responsibilities.

Capacity Building

- Train internal audit staff on risk-based auditing, methodology, reporting, and follow-up.
- Provide hands-on coaching and mentoring during pilot audits.
- Pilot audits are strictly for training and capacity-building purposes.

Conduct and Oversee Pilot Audits (for training and capacity building)

- Guide DoFA staff through pilot audits to demonstrate application of risk-based methods.
- Ensure pilot audits meet standards without assuming operational responsibilities.
- Establish mechanisms for follow-up of findings, to be operated by DoFA's permanent staff.

DELIVERABLES AND KEY PERFORMANCE INDICATORS

All deliverables shall focus on institutional strengthening, systems development, and capacity building. Audit-related deliverables will relate only to pilot audits.

Key Deliverables

- Internal Audit Mandate and Charter
- Risk-Based Audit Methodology
- Annual Audit Plan
- Internal Audit Manual
- Audit Programs and Templates
- Pilot audit reports for training purposes
- Training materials and capacity-building reports
- Monthly progress reports (by the 15th of each month)

REPORTING AND COORDINATION

The Internal Auditor will work under the supervision of the Secretary and Deputy Secretary of DoFA. Reporting is limited to project-supported activities and institutional strengthening outputs. DoFA's operational audits remain the responsibility of DoFA's permanent Internal Audit staff.

QUALIFICATIONS

- Professional certification (CIA, CPA, ACCA, or equivalent)
- Minimum 10 years of experience in internal auditing and risk management
- Proven experience establishing internal audit functions in public sector environments
- *Desirable: Pacific Islands experience; senior-level government finance experience*

DURATION, LOCATION AND CONDITIONS

The position is full-time (245 working days per annum), based in Pohnpei, FSM. Activities must remain consistent with the Financing Agreement and PAD, emphasizing technical assistance, advisory services, system development, and capacity building. The Government will provide the office space, including office furniture, access to the IT equipment, stationery, internet, communications, and related utilities for the Consultant.