

Annex A: Terms of Reference
Republic of the Marshall Islands
Ministry of Finance, Banking & Postal Services
Terms of Reference

Title:	International US GASB Advisory Firm
Location:	Ministry of Finance, Banking & Postal Services, Republic of the Marshall Islands
Duration:	18 months with the possibility of an extension
Tentative start Date:	December 2026

1. BACKGROUND

The Government of the Republic of the Marshall Islands (RMI) faces structural and institutional capacity constraints in sustaining effective public financial management and service delivery. Strengthening accounting, financial reporting, and audit readiness remains a national priority to improve fiscal transparency and accountability.

With financial support from the World Bank, the Government of RMI is implementing the Strengthening Public Financial Management II (PFM II) Project. The Project Development Objective is to strengthen the reliability, quality, and timeliness of public financial reporting, supported by modernized systems and sustained institutional capacity.

Under Component 1: Improving PFM Practices in Budget Execution and Financial Reporting, Sub-component 1.1 focuses on developing sustainable in-house capability within the Ministry of Finance, Banking & Postal Services (MOFBPS), Budgetary Central Units (BCUs), and selected Component Units (CUs) to prepare Annual Financial Statements (AFS) compliant with U.S. Generally Accepted Accounting Principles (GAAP) accounting standards.

MOFBPS has made progress in strengthening its financial reporting capacity and has engaged an embedded GASB Specialist and accounting personnel to progressively support strengthening of financial management and reporting practices. Additional specialized advisory support is required to assist the Ministry during the annual financial statement preparation cycle, address complex accounting and consolidation matters, enhance the current Chart of Accounts (CoA) to a unified CoA covering all government budget entities, strengthen Component Unit financial reporting and its integration with the Government FMIS to support consolidated reporting and audit readiness, and provide technical quality assurance.

RMI has implemented the BISAN Financial Management Information System (FMIS) as the primary platform for budget execution, accounting, and financial reporting. RMI is also in the process of enhancing the FMIS with additional functionalities that will include budget planning, FMIS interface with external systems, and improvements in financial reporting. While the FMIS is operational, preparation of the Annual Financial Statements continues to require manual

processes and adjustments outside the system. MOFBPS intends to progressively strengthen and automate the generation of GASB-compliant financial statements and supporting reports directly from the FMIS.

2. OBJECTIVE OF THE ASSIGNMENT

The primary objective of the assignment is to provide hands on technical support and to compile and complete the GASB compliant Annual Financial Statements for the Primary Government and material Component Units and to support resolution of the current audit backlog. The Firm shall work alongside MOFBPS, the GASB Specialist and relevant Component Unit staff to address complex accounting and consolidation matters, strengthen audit readiness and transfer the knowledge and practical tools required for MOFBPS to lead subsequent reporting cycles. FMIS reporting improvements and Chart of Accounts enhancements shall remain supporting advisory activities.

The assignment will also support MOFBPS to:

- Improve the quality, consistency, and timeliness of financial information used in preparation of the AFS;
- Strengthen preparation and consolidation of financial statements for material Component Units;
- Assess the financial reporting and audit readiness capacity of material Component Units and develop a prioritized plan for strengthening their capacity;
- Progressively enable material Component Units to prepare reliable entity level financial statements and standardized financial data, while supporting the harmonization of their Charts of Accounts, accounting practices and reporting interfaces with the Primary Government and Bisan FMIS to support consolidated government wide reporting;
- Provide technical advice on alignment between GASB financial reporting requirements and FMIS configurations and outputs, and potential Chart of Account (CoA) enhancements;
- Address complex accounting, consolidation, financial reporting, and audit issues affecting completion of the AFS;
- Strengthen year-end close and audit-preparation processes; and
- Transfer knowledge and strengthen the capacity of MOFBPS and Component Unit staff to progressively manage financial statement and audit preparation in-house.

3. SCOPE OF SERVICES

Under the general guidance of the PFM II Project Manager and in close coordination with MOFBPS, the Firm shall provide specialized technical assistance in the following areas:

3.1 Annual Financial Statement Preparation and Technical Support

The Firm shall lead and provide hands on technical support to MOFBPS for the timely preparation and completion of the GASB compliant Annual Financial Statements for the Primary Government and agreed material Component Units, including:

- Compilation and preparation of the government wide and fund financial statements, notes, disclosures, supporting schedules, reconciliations, consolidation adjustments and elimination entries for Fiscal Year 2026;
- Assist the RMI to develop a detailed year end close and financial statement preparation calendar, including identification of milestones, roles and responsibilities, and required adjusting and conversion entries;
- Technical advice and quality assurance on complex accounting treatments, adjustments, applicable GASB requirements, prior-period matters, and accounting-related audit findings;
- Review and strengthening of year-end close procedures, financial statement templates, working papers, and supporting schedules where material gaps are identified;
- Targeted surge support during agreed critical periods of financial statement preparation and external audit;
- Provide technical advice on Chart of Accounts enhancements and related financial reporting requirements, as required by MOFBPS.

The Firm shall work alongside the PFM II GASB Specialist, the Reform Coordination Unit, and MOFBPS accounting staff and shall use existing work products wherever appropriate. MOFBPS shall retain ownership and formal approval of the Annual Financial Statements. The Firm shall document the compilation process and transfer knowledge and practical tools to enable MOFBPS and relevant Component Units to lead subsequent reporting cycles.

3.2 Component Unit Financial Reporting and Audit Readiness

The Firm shall provide hands on technical support to agreed material Component Units for the compilation and completion of GASB compliant financial statements and preparation of information required for consolidated government wide reporting, including:

- Support the preparation of GASB-compliant financial statements, reconciliations, disclosures, supporting schedules, and consolidation information for Fiscal Year 2026 and other outstanding prior years;
- Provide technical advice on mapping Component Unit trial balances and reporting information to the Primary Government reporting structure and Bisan FMIS, where relevant;
- Assessment of CU financial reporting and audit readiness, including accounting records, reconciliations, year-end close, audit documentation, recurring audit findings, systems, and relevant staff capacity;
- Establishment of an audit readiness baseline and a Prioritized Component Unit Financial Reporting Improvement Plan;
- Targeted technical assistance to priority CUs to address identified accounting and audit-preparation gaps; and

- Development of standardized reporting templates, checklists, procedures, and timelines to progressively enable CUs to harmonize their financial reporting and provide information required for consolidated government wide reporting and audit preparation.

The assessment and support shall remain focused on financial accounting, financial reporting, year-end close, and external audit readiness and shall not extend to broader operational, procurement, grants-management, or general compliance matters.

3.3 FMIS Financial Statement Automation and Enhanced Chart of Accounts Support

The Firm shall provide accounting and functional advisory support for the progressive automation of GASB-compliant financial statements and supporting reports through the FMIS, including:

- Review, testing, and validation of FMIS-generated financial statements and supporting reports against GASB requirements and approved reporting formats;
- Support for implementation of the enhanced CoA, including technical discussions/workshops, an implementation strategy, training, and rollout support across relevant RMI budgeting entities;
- Accounting and functional guidance to the FMIS Specialist, Graduate GASB Trainees, MOFBPS accounting staff, FMIS service provider, and other relevant technical teams on financial reporting configurations and enhancements; and
- Recommendations to progressively reduce manual financial statement preparation and increase reliance on validated FMIS-generated reports.

The Firm's role shall focus on accounting requirements, functional specifications, testing, validation, and quality assurance of the ongoing FMIS Enhancements. Technical programming, software development, and system administration shall remain the responsibility of the FMIS technical team and/or service provider.

3.4 Audit Support, Capacity Building and Knowledge Transfer

Throughout the assignment, the Firm shall:

- Support MOFBPS and priority CUs in preparing audit-ready working papers and responding to accounting and financial reporting matters raised by external auditors where feasible;
- Provide specialized training and technical coaching on complex GASB requirements, Component Unit consolidation, audit readiness, and validation of FMIS-generated reports, building on the ongoing mentoring provided by the GASB Specialist;
- Develop practical financial reporting guidance, templates, procedures, and reference materials for areas covered by the firm's assignment; and
- Transfer knowledge and responsibilities to strengthen sustainable in-house financial statement and audit-preparation capacity.

4. IMPLEMENTATION ARRANGEMENTS

The Firm shall work under the general guidance of the PFM II Project Manager and in close coordination with the Secretary of Finance and designated MOFBPS counterparts.

All activities and communications shall flow through and be coordinated with the PFM II Project Manager. Through the Project Manager, the Firm shall work closely with the following:

- Chief Accountant and Accounting Division;
- FMIS Specialist and FMIS technical team;
- Budget Division;
- FMIS service provider, where system configuration or enhancement testing is required and as specifically authorized by the PFM II Project Manager;
- GASB Specialist;
- Graduate GASB Trainees
- The Reform Coordination Unit
- External auditors, as authorized by MOFBPS; and

Other relevant technical advisors supporting financial management reforms. For the initial reporting cycle covered by this assignment, the Firm shall lead the hands-on compilation and completion of the Annual Financial Statements for the Primary Government and agreed material Component Units. The GASB Specialist, MOFBPS accounting personnel and designated Component Unit staff shall work alongside the Firm throughout the process. MOFBPS shall retain ownership and formal approval of the Annual Financial Statements. The Firm shall progressively transfer knowledge, tools, procedures and responsibilities to support preparation by MOFBPS in subsequent reporting cycles.

All training, meetings and visits shall be scheduled through the PFM II Project Manager.

5. DURATION, LOCATION AND CONDITIONS OF ASSIGNMENT

- **Duration:** Eighteen (18) months, with the possibility of extension subject to satisfactory performance, continued project requirements, availability of financing, and applicable procurement and contractual requirements.
- **Mode:** Primarily virtual, supplemented by in-country missions proposed by the Firm and agreed with MOFBPS in the approved work plan.
- The technical and financial proposals shall state the proposed number, duration, timing, and cost assumptions for in-country missions. Missions should, where practicable, coincide with critical periods of the annual financial reporting cycle, Component Unit engagement, FMIS reporting work, year-end close, audit preparation, and targeted training.
- MOFBPS will facilitate reasonable access to relevant financial information, FMIS reports, audit documentation, and designated counterpart personnel required for performance of the assignment.

6. OUTPUTS AND DELIVERABLES

Deliverable	Key Outputs	Timing	Payment
1. AFS Status, Financial Reporting and Audit Readiness Assessment & Work Plan	Approved work plan; Assessment of the status of Primary Government and agreed material CU financial statement accounting records, audit readiness, current audit backlog and available FMIS reporting; Prioritized CU Audit Readiness Improvement Plan.	Month 2	20%
2. Draft AFS and Interim Systems and Capacity Support	Draft FY 2026 AFS for the Primary Government and agreed material CUs, including notes, disclosures, reconciliations, supporting schedules, adjusting and conversion entries, consolidation and elimination entries, and working papers. Progress on priority CU improvement actions. Updated accounting issue log. Technical advice on FMIS accounting requirements, financial reporting templates and data mapping. Targeted technical assistance and practical training through participation in the AFS compilation process. Report of advisory priorities for FMIS reporting and CoA enhancements.	Month 6	30%
3. Completed AFS and Audit Readiness Package	Completed FY 2026 AFS for the Primary Government and agreed material CUs incorporating MOFBPS comments. Completed CU statements and consolidation package. Audit ready working papers and supporting evidence.	Month 9	30%
4. Audit Readiness Support	Support during the external audit and preparation of agreed AFS revisions. Responses to audit queries. Final CU audit readiness status and recommendations.	Month 12	10%
5. Sustainability and Final Advisory Report	Training and knowledge transfer records. Transition plan for in-house financial compilation. Final advisory note on FMIS reporting and CoA enhancements. Testing and validation note for available FMIS generated financial reports. Detailed year end close and AFS completion calendar. Report on technical assistance provided towards the initial preparation of Fiscal Year 2027 audit process.	Month 18	10%

Each deliverable shall be submitted in editable and PDF formats, include evidence of completed outputs and resolution of key issues and be subject to satisfactory review and acceptance by MOFBPS before release of the corresponding payment.

7. MANDATORY QUALIFICATIONS

Firm

The Firm shall demonstrate:

- Significant experience supporting preparation and quality assurance of Annual Financial Statements compliant with U.S. GAAP standards;
- Demonstrated experience supporting public-sector financial statement preparation, consolidation, year-end close, and audit readiness in jurisdictions subject to U.S. accounting standards;
- Experience working with Primary Governments, Component Units, public authorities, or comparable public-sector entities applying U.S. GAAP standards;
- Demonstrated experience addressing complex public-sector accounting and financial reporting issues;
- Experience translating accounting and financial reporting requirements into FMIS or ERP reporting requirements;
- Experience assessing and strengthening institutional financial reporting and audit-preparation capacity;
- Demonstrated capacity to provide structured technical assistance, mentoring, and knowledge transfer to government accounting teams.

Key Experts

The Firm shall provide appropriately qualified key experts with:

- U.S. CPA qualification;
- Minimum ten (10) years of relevant public-sector accounting, financial reporting, audit, or advisory experience;
- Recent and demonstrated experience advising government entities applying U.S. GAAP standards;
- Demonstrated experience preparing or reviewing government-wide and fund financial statements;
- Experience supporting year-end close and external audit preparation; and
- Ability to translate financial reporting requirements into practical system and business-process requirements.

The Firm may propose additional specialists where necessary to effectively deliver the assignment, provided that the overall team composition is appropriate to the scope and agreed with MOFBPS.

8. DESIRABLE QUALIFICATIONS

The following experience will be considered advantageous:

- Prior experience working in Pacific Island Countries that work with US GAAP accounting standards;
- Familiarity with the Marshall Islands public financial management environment;
- Experience with FMIS/ERP-enabled government financial reporting;
- Experience working on World Bank, ADB, or other development-partner-financed public financial management projects;

9. FACILITIES AND SUPPORT TO BE PROVIDED BY THE CLIENT

MOFBPS will provide or facilitate reasonable access to information and counterparts required for performance of the assignment, including:

- Information relevant for prior and current Annual Financial Statements, audit reports, management letters, and relevant working papers;
- Information relevant for trial balances, account reconciliations, financial schedules, and other relevant accounting information;
- FMIS access, reports, financial statement templates, and relevant system documentation, subject to applicable information-security requirements;
- Existing accounting policies, procedures, manuals, and year-end close documentation;
- Designated counterparts within Accounting, Budget, FMIS/IT, and other relevant MOFBPS divisions;
- Coordination and access to material Component Units;
- Coordination with the FMIS service provider and external auditors, where required and authorized by MOFBPS; and
- Appropriate logistical and administrative support during agreed in-country missions.