

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



**Ministry of Climate Change, Environment and Energy**  
Republic of Maldives

**DIGITAL MALDIVES FOR ADAPTATION, DECENTRALIZATION AND  
DIVERSIFICATION (DMADD) PROJECT  
P177040**

**TERMS OF REFERENCE**

for

**Hiring an Individual Consultant for Internal Audit**

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## **TERMS OF REFERENCE**

### **A. BACKGROUND**

The Digital Maldives for Adaptation, Decentralization and Diversification Project (P177040), aims to support the Maldives in its digital transformation and adaptation to climate change, through improving the enabling environment for Internet service provision and for the digital economy as a whole, establishing a shared data platform to support the implementation of climate change adaptation and strengthening digital identity verification and authentication for an improved service delivery experience both in-person and online. This project is funded by a grant from the World Bank and will be led by the Ministry of Climate Change, Environment and Energy (MoCCEE). It is implemented by the PMU established by the MoCCEE at the National Centre for Information Technology (NCIT). Key stakeholders include the National Centre for Information Technology (NCIT), Communications Authority of Maldives (CAM) and the Department of National Registration (DNR).

### **B. PROJECT DESCRIPTION**

The proposed Project aims to support the use of digital technologies to decentralize, diversify and to adapt to climate change. The project objective is to enhance the enabling environment for the digital economy in Maldives, to improve identification for in-person and remote service delivery, and to leverage data and analytics for a green, resilient, and inclusive development. It is designed around four components, and the proposed activities are conceived following the country's priorities and funding needs in the medium term: (a) Enabling environment for improved digital connectivity and competitiveness; (b) Digital identification for improved online and in-person service delivery; (c) Digital technologies and data platform for climate resilience; and (d) project management and implementation support.

The project will assist the government in laying the legal and regulatory foundations for the digital economy and the provision of digital services, fostering the growth of high-quality and reasonably priced Internet services, and fostering trust in digital transactions and service delivery. To do this, the project will fund technical assistance to strengthen legal and regulatory frameworks in such areas as data protection, cybersecurity and cybercrime, electronic transactions, identification, and provide support for their operationalization through enhancing institutional capacity and developing pertinent roadmaps, strategies, and other tools and guidance.

By supporting the establishment of the Government Digital Services (GDS) and empowering CAM, the project will further aid in the strengthening of public institutions and the development of capacity. It will also support the regulation and enforcement of

government policy to ensure better and more reasonably priced Internet services for the public and private sectors.

Through a two-pronged approach that includes (a) the modernization of existing identity management software and hardware and the introduction of a new digitally enabled ID credential, issued by the Department of National Registration, and (b) the operationalization of a digital ID system to enable secure data sharing and efficient service delivery, the project will help improve trust and efficiency in both in-person and online transactions and service delivery.

The project will also help the scaling up and modernization of current digital assets to enhance service delivery as well as the utilization of new digital solutions to better utilize data for climate change adaptation and other purposes.

### **C. OBJECTIVES OF THE ASSIGNMENT**

The Consultant will work intermittently with the Project Management Unit (PMU) as the Internal Auditor of the project in making sure that the required internal control protocols and checks has been maintained and used in the process of disbursement of projects funds to the intended recipients effectively and efficiently for the intended purposes.

### **D. OVERALL RESPONSIBILITY**

The overall responsibility of the Consultant includes, but not limited to the following:

- 1) Deliver timely fiduciary assurance that the Financial Management Systems and Internal Control procedures, as they pertain to the project, are in accordance with the financing agreement and are being followed by the different executing units. Additionally, ensure that the financial reports being submitted align with the books of account and can be trusted to substantiate the disbursements made by the Bank.
- 2) Conduct an assessment to ensure that the project's procurement procedures are in alignment with the World Bank Procurement Regulations.
- 3) Conduct an evaluation of the project's performance, considering the progress achieved in both physical and financial aspects.
- 4) Identify potential risk areas and mitigation of those risk areas by improving the effectiveness of acceptable accounting procedures.
- 5) Obtain a professional opinion on the accuracy of the IUFs and its compliance with financing agreements. The audit would cover all project activities including all sources and application of funds for the project. The Auditor may visit the various field offices/ sites, if any, for achieving the objective.

## **E. SCOPE OF SERVICES**

The internal audit will adhere to the International Standards for the Professional Practice of Internal Auditing, as prescribed by the IIA USA. The audit will encompass a range of tests and controls deemed suitable by the auditor to uphold transparency and accountability within the financial management system. The scope of audit will cover, but is not limited to, the following.

- 1) Evaluation of the project's financial management system, encompassing internal controls. This assessment will involve examining the sufficiency and efficiency of accounting, financial, and operational controls implemented by the Project Management Unit (PMU) and providing recommendations for enhancement.
- 2) Ensuring that all project funds have been expended in accordance with the terms outlined in the financing agreement and other relevant project documents, with a strong focus on transparency, cost-effectiveness, and efficiency, and exclusively for the intended purposes for which the financing was granted. And ensuring that the expenditures incurred are in accordance with the relevant Maldives Public Finance Regulations and guidelines or any other /instructions/clarifications issued from time to time.
- 3) Ensure the reliability of the integrity, controls, security, and efficiency of computerized systems. Identify any potential limitations in complying with internal control procedures.
- 4) Evaluate the adequacy of financial and administrative delegation and the segregation of duties and controls. Additionally, assess whether expenditures incurred, and advances provided have received proper authorization.
- 5) Evaluate the efficiency and timeliness of the funds flow and reporting mechanism at the PMU level.
- 6) Ensure that proper documents, including goods and services request forms, purchase orders, tender documents, vouchers, receipts, bills are maintained and linked to relevant transactions.
- 7) Ensure timely reconciliation of the designated account statements are carried out and necessary corrections on accounts are accounted for.
- 8) Verification of the process of acquisition of goods and services, funded by the project, complies with the stipulations of the pertinent financing agreements, and adheres to the World Bank's procurement regulations for goods, works, and services.
- 9) Conduct assessment of all expenditures is incurred as per the approved work plan.

- 10) Ensure that quarterly Interim Unaudited Financial Reports (IUFs) submitted by the PMU reflect the actual, true, and fair utilization of the grant. The audit shall confirm that all necessary supporting documents such as records, vouchers, bids, bidding documents, etc. and books of accounts have been kept in respect of all project procurements & expenditures including beneficiary / community contributions and expenditures covered by IUFs.
- 11) Confirm that the contractors' ledgers are up to date, including the recovery of statutory deductions and mobilization advances during payment processes. Confirm securing of and release of performance bonds, retention guarantees, and other financial securities.
- 12) In cases of physical inspections/verifications conducted by the auditor, the audit report shall include pictorial evidence of inspected works/events.
- 13) Verification of the assets and asset registers, inventory registers and inventory process and protocols within the PMU.
- 14) Provide guidance and necessary training related to internal audit procedures to the relevant staff at the Ministry, as directed by the Project Manager.
- 15) Any other duties and responsibilities within the scope of the internal audit functions assigned by the Project Manager.

## **F. QUALIFICATION AND EXPERIENCE**

The candidate shall be a Chartered Accountant or a /Certified Internal Auditor, with at least two (02) years of specific experience in the field of internal auditing, and minimum general experience of five years. Experience in the field of internal auditing specifically in the donor funded projects will be an added advantage.

## **G. DELIVERABLES**

### **1) Audit plan**

The consultant shall present the audit plan within 10 days of signing the contract and submit the detailed audit plan within the 14 days of signing the contract. The audit plan shall include, among other things, submission dates of draft and final audit reports, training schedules and provisions for other services prescribed within the scope of services. The audit plan is subject to review every six months.

### **2) Audit reports**

The consultant will report to the Project Manager and shall furnish the PMU with quarterly internal audit reports within the time frames set in the audit plan.

## H. AUDIT FEES AND TERMS OF PAYMENT

- 1) The consultants' fee is set at MVR 10,000 (Maldivian Rufiyaa Ten Thousand) per calendar quarter. Fees will be paid upon delivery and acceptance of all deliverables set out in the audit plan for each quarter. The consultant is required to submit an invoice to claim the fees within 10 days of delivery of the final deliverable.
- 2) The consultant is required to complete the services within the agreed time frames in the audit plan.

## I. DURATION OF THE ASSIGNMENT

The consultant will be appointed for a period of one (1) year. The contract shall be renewed on a yearly basis, for the duration of the project, based on the performance of the consultant.

## J. SELECTION CRITERIA

The Consultant will be selected based on the following criteria

Criteria	Points
Educational Qualification	45
Specific Work Experience	45
Additional Skills/ Expertise	10

Contract will be awarded to the substantially responsive applicant with highest score above the 60% pass marks and after successful negotiation of the contract.

## K. APPLICATION

- Letter of Expression of Interest
- Curriculum Vitae (clearly stating the starting and ending month and year for previous experiences)
- Copy of National ID Card
- Copy of Police Clearance Certificate
- Copies of Accredited Academic Certificates
- Certificates/ Letter of completion from the university
- Employment Verification Letter from previous employer(s), detailing the work and duration of the responsibilities
- Candidates must submit additional documents to prove expertise/experience in areas highlighted in section F