

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MoU) hereafter referred to as the Memorandum, entered into on the 22<sup>nd</sup> day of July, 2022 by and

Between

The Controller General of Accounts through, through Director General (MIS), Office of the Controller General of Accounts, Islamabad referred to as the DG (MIS) as First Party

And

The Local Govt. Department through its Secretary, Tughlaq House, Sindh Secretariat, Karachi, referred to as "Second Party",

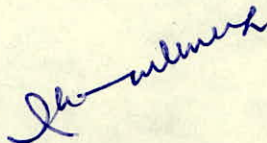
And

The Finance Department, Government of Sindh through its Secretary, A.K. Lodhi Complex, Building 6, Sindh Secretariat, Karachi, referred to as "third party" collectively known as the "Parties".

This Memorandum of Understanding (MoU) sets the scope and terms of engagement for provision of technical assistance in introduction of the Financial Accounting & Budgeting Systems (FABS) to the Local Councils of Karachi under agreement with CLICK Project.

### Scope of engagement

The scope of engagement will be limited to the Local Councils of Karachi under agreement with CLICK Project and as defined under the Sindh Local Government Act, 2013 (as amended from time to time), and is set for two years.




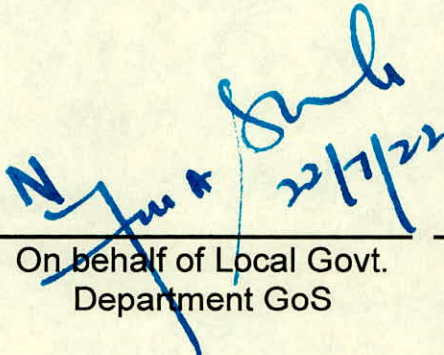
## Terms of engagement


- i. FABS will provide the licenses for payroll / pension Master Records (software) free of cost to computerize payment of payroll and pension.
- ii. CLICK will bear the operational expenses including annual software maintenance fee for the Master Records, any additional end-user licenses acquired as per need for operationalizing other functionalities of FABS such as budgeting and expenditures; and Wide Area Networking (WAN) fee. After the closure of CLICK, expenses will be borne by Government of Sindh, and there will be no financial or human resource burden in any manner on the Controller General of Accounts or its field offices.
- iii. CLICK will arrange hardware required for the purpose for which guidance in specifications including networks/ security equipment & software will be provided by FABS.
- iv. CLICK will hire personnel to operate FABS. Overall control for end-user authorizations and roles will be retained with FABS and will be delegated to such personnel through mutual consultation with CLICK. No access to 'development server' will be provided by FABS.
- v. FABS will not be engaged in data entry and up-loadable files will be provided by CLICK to operationalize the system.

- vi. FABS will provide training to Master Trainers nominated by CLICK whose number will be restricted up to ten. Expenses in the course of training will be borne *by* CLICK.
- vii. The national Chart of Accounts will be used in the system.
- viii. The terms may be expanded or amended through mutual consultations.

- **AMENDMENT OF MoU:** This MoU will be amended subject to the mutual consent of the parties in writing.
- **DURATION AND EFFECTIVE DATE OF MoU:** This MoU shall be for a period of 2 years or until completion which will be effective from the date of its signing between parties.
- **MEDIATION AND ARBITRATION:** If any dispute arises out of this MoU, the same may be settled amicably by the parties; in case of failure such dispute shall be resolved under the Arbitration Act, 1940.
- **TERMINATION:** Each party shall have the right to terminate this MoU by giving at least 30 days' notice in writing to the other party at any time.

  
Director General (MIS)  
On behalf of the Controller  
General of Accounts

  
On behalf of Local Govt.  
Department GoS

  
On behalf of Finance  
Department GoS