

REGISTERED

No. PW-CTR-6-29-1925 (Task Force) 2010-11/-3886-87
Public Works Department
Himachal Pradesh

Dated Shimla-171002, the 16 April, 2013

From

Engineer-in-Chief,
HP PWD, Nirman Bhawan,
Shimla

To

Sharma Rajeev & Associates,
Chartered Accountants, 19/7 Old Bus Stand,
Gandhi Chowk, Hamirpur (H.P.)

*C.P.
NO/AD*

Subject: Adoption of Accrual Accounting System in Government Departments – conduct of Pilot Study in two Public Works Divisions, (Shimla-I & III).

16/4/2013

Dear Sir,

Kindly refer to your quotation dated 10-01-2013 and your subsequent letter No. SRA/Main/135 dated 05-02-2013 for conducting Pilot Study in two Public Works Divisions, (Shimla-I & III). It is informed that as per recommendation of Task Force your offer is hereby accepted as per enclosed Terms of Reference (TOR).

In case this assignment is acceptable to you, please send your consent along with requisite security amount in the shape of FDR duly pledged in favour of the undersigned and acceptance of Terms of Reference duly signed within fifteen days from the date of issue of this letter failing which it shall be presumed that you are not interested for this assignment.

Yours faithfully,

S/I
Engineer-in-Chief,
HP PWD, Shimla.

Encl: As above.

✓ Copy to IT section for putting it in the website of the department.

S/I
Engineer-in-Chief,
HP PWD, Shimla.

12.4.13

Terms of reference forming part of EOI for conduct of Pilot Study of two PWD Divisions of Public Works Department for adoption of Accrual Accounting

1- Scope of work:

(A) Preparation/casting of books of accounts on the basis of accrual accounting of two pilot divisions (HP PWD Division No. I & III Shimla) for the year, 2011-12 including preparation of opening Balance Sheet.

(B) Identification, recognition and classification of following according to guidelines issued by GASAB (Government Accounting Standard Advisory Board) from time to time for preparation of accounts according to accrual based accounting system:-

- i) Classification of Assets & Liabilities including all accrued liabilities like Pension and other retirement benefits, salaries & other expenditure, and other committed and contingent liabilities etc.
- ii) Depreciation of Fixed Assets.
- iii) Valuation of work in progress and completed works.
- iv) Identification and recognition of revenue and expenditure.
- v) Others items like accounting of remittances, system of cash and account settlements etc.
- vi) Preparation of Statement of Financial Performance and Statement of Financial Position in respect of selected two PWD Divisions at Shimla for the year 2011-12.
 - a) Receipt & Payment Accounts
 - b) Income & Expenditure Accounts
 - c) Balance Sheet
 - d) Fund Flow statement
- vii) Any other task relating to the job i.e. migration of accounts from cash based accounting to accrual based accounting system of selected two PWD Divisions at Shimla.

*Vijay Singh
Vijay Singh
Vijay Singh
Vijay Singh*

- viii) Recommendations including the prescribed format in which initial accounting records are required to be maintained for preparation of accounts on accrual based accounting system.
- ix) Preparation of Pilot Study report on accrual system of Account in selected two HP PWD Divisions.
- x) Preparation of study material and user manual for training to the Accounting Staff of HP PWD for preparation of Accounts on accrual based accounting.

2- **Staff to be deployed by the Chartered Accountant:** For this job, the Chartered Accountant Firm shall deploy at least two Qualified Accountants having atleast three years of experience in the auditing of accounts in Public Sector Undertakings/Boards, Corporations/Autonomous Bodies etc.

3- Period of Assignment: The work will be started by 1st May, 2013 and the assignment will be completed in 2 months per Division from the date of start of work. Necessary intimation regarding commencement of work shall be given to the undersigned.

4- Support from the State Government.

The State Government has constituted a Committee vide Notification No.PWD(B)(C)4-1/2010 dated 18-10-2010. The Committee will meet at regular intervals to review and take stock of the progress of work and remove any impediments encountered in the work by the Chartered Accountant. The State Government i.e. Executive Engineers, PWD Divisions Shimla I & III will provide necessary assistance to the Chartered Accountant to access to the departmental records and will also provide records relating to physical assets, inventories, outstanding revenue and expenses which would be required for migration to accrual basis of accounts so as to build a reliable data base of all the assets and liabilities for use during migration of accounts.

5- **Release of Payments:** The total payment amounting to Rs. 1,12,000 + Service Tax as per the quotations submitted by the Chartered Accountant

Varu Sunil M/40 2/2
Shashi Raw

for this job will be released as under subject to completion of work to the satisfaction of Task Force:-

- i) 30% payment will be released on preparation of Balance Sheets of both the Divisions for the year, 2011-12.
- ii) Balance payment shall be released on completion of the job.
- iii) No TA/DA shall be payable.
- iv) Income Tax or any other tax liable to be deducted as per the prevailing rules will be deducted at source before making the payment.

6- **Security Deposit:** The Chartered Accountant will deposit a sum of Rs. 15,000/- in the shape of FDR duly pledged in favour of the Engineer-in-Chief, HP PWD. The security amount will be deposited by the CA firm along with acceptance letter which will be refunded to him after successful completion of the job.

7- **Termination of Contractual Engagement:** Notwithstanding anything in the terms of reference, the contractual engagement may be terminated at any time if the job of Pilot Study is not conducted to the satisfaction of Task Force. In that event it shall not be obligatory to assign any reason for termination of the contract.


(Pardeep Chauhan)
Engineer-in-Chief,

Public Works Department, Himachal Pradesh,
Nirman Bhawan, Nigam Vihar, Shimla-171002

