



कार्यालय प्रधान महालेखाकार (लेखापरीक्षा), उत्तराखण्ड  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT),  
UTTARAKHAND



**REPORT OF COMPTROLLER AND AUDITOR GENERAL OF INDIA**  
**REPORT ON PROJECT FINANCIAL STATEMENTS (PFS)**

We have audited the accompanied Financial Statements of the Skills strengthening for Industrial value Enhancement (STRIVE), financed under World Bank (IDA) Loan No. 5965IN, which comprise the Statement of Sources and Application of Fund and the Reconciliation of claims to Total Application of Funds for the years ended 31 March 2022. These statements are the responsibility of the project's management. Our responsibility is to express an opinion on the accompanying financial statement based on our audit.

We conducted audit in accordance with Auditing Standards promulgated by the Comptroller and Auditor General of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our Audit examines, on a test basis, evidence supporting the amounts and disclosure in the Financial Statement. It also includes, assessing of accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the project financial statements present fairly, in all material respects, the sources and applications of funds of Skills strengthening for Industrial value Enhancement (STRIVE) for the year ended 31 March 2022 in accordance with Government of India Accounting standards.

In addition, in our opinion, (a) with respect to PFS, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the loan/Credit Agreement. During the course of the audit, SOEs and the connected documents were examined, and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament/State or UT Legislature.

Date: 13 October 2022

Principal Accountant General (Audit),  
Uttarakhand, Dehradun

**Annexure-I**  
**Details of expenditure Incurred under World Bank assisted (50%)**  
**STRIVE Project**  
**(Loan No.5965-IN)**

(Amount in ₹)

<b>Particulars</b>	<b>2021-22</b>
Opening Balance (a)	5,34,41,228
Fund received from Govt. through budget (b)	2,72,00,000
Fund received directly by project implementing agency through external assistance(c)	Nil
Total receipts (d) = (a)+(b)+(c)	8,06,41,228
Expenditure incurred during financial year (e)	69,15,812
Closing Balance (f) = (d)-(e)	7,37,25,416
Ineligible expenditure (g)	NIL
Ineligible expenditure due to wrong payment (h)	NIL
Eligible expenditure (i) = (f)-(g)-(h)	<b>69,15,812</b>
World bank share (j) = 50% of (i)	<b>34,57,906</b>



**Sr. Audit Officer/FAW**

**Annexure-I**  
**Details of expenditure Incurred under World Bank assisted (50%)**  
**STRIVE Project**  
**(Loan No.5965-IN)**

(₹ In lakh)

Result Area	Year-2021-22			
	Expenditure as per IUFRR	Actual Expenditure as Verified in audit	Expenditure Disallowed In Audit	Expenditure Admitted in Audit
	(A)	(B)	(C)	(D) = (B-C)
RA-1	0.0	0.0	0.0	NIL
RA-2	68.91	68.91	0.0	68.91
RA-3	0.0	0.0	0.0	0.0
RA-4	0.25	0.25	0.0	0.25
<b>Total</b>	<b>69.16</b>	<b>69.16</b>	<b>-</b>	<b>69.16</b>



Sr. Audit Officer/FAW

### Audit Observations

1. As per para no. 4.1.5 of STRIVE Project Operation Manual, implementing agencies are to prepare financial statement including Result Area wise, a summary of funds received, Income and Expenditure and Balance Sheet showing accumulated funds of the Project, bank balance, other assets, and liabilities of the project and the same were to be audited by the Internal auditor.

Scrutiny of the records revealed that financial statements for the year 2021-22 were not prepared nor audited by Internal Auditor. On being pointed out, Project Implementing Unit (PMU) replied that the same is being prepared and audited by internal auditor. The non-preparation of financial statement for the year 2021-22 resulted in violation of STRIVE Project Operation Manual.

2. Scrutiny of records revealed that the PMU made advance payment of ₹ 48.07<sup>1</sup> Lakh to Director, ITDA, IT park, Dehradun for providing internet connectivity in 21 ITIs of the state in March, 2021. However, the internet connectivity was not provided to the ITIs till date of Audit (September 2022) after lapse of more than 18 months. This resulted in not only blockade of funds amounting to ₹ 48.07 lakh but failure in achieving the desired objectives also. Presently, these ITIs are forced to work with low-speed internet connectivity.

On being pointed out, entity accepted the fact.

3. Scrutiny of records revealed that only ₹ 199.20 Lakh was spent against the total allotment of ₹ 855 Lakhs. The expenditure was only 23.30% of the total allocation in the project. However, the scheme is scheduled to be concluded in November, 2022. So, the implementation of the project is extremely slow even after availability of funds, which defeated the objective of the scheme.
4. As per guidelines circulated by Department of Expenditure, Ministry of finance, Government of India vide letter no. F.No.(13)/PFMS/FCD/2021 dated 07-07-2021, on the subject, new procedure for releases of funds under centrally sponsored schemes, (CSS) issued on 23<sup>rd</sup> March 2021, interest-bearing accounts are to be opened with clearly defined drawing limits in CSS.

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<sup>1</sup> ₹ 16.45 lakh on 18-12-2020 and ₹ 31.62 lakh on 25-03-2021

During the audit certification of the accounts of STRIVE for the year 2021-22, it was noticed that SPMU had opened saving accounts on 14-01-2022. However, it was to be opened from 07-07-2021 which resulted in loss of interest ₹ 4.61 lakh for the above period (July 2021 to January 2022).

On being pointed out, entity accepted the fact.



**Sr. Audit Officer/FAW**