



**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I)  
ODISHA, BHUBANESWAR.**

**No- FINAT/STRIVE/Audit Certificate/2022-23/42**

**Date: 03.05.2023**

To

The Director,  
Skills Strengthening for Industrial Value Enhancement (STRIVE),  
Directorate of Technical Education and Training,  
Killamaidan, Buxi Bazaar,  
Cuttack, Odisha 753 001

**Sub: - Report on the Project Financial Statement of World Bank assisted Skills Strengthening for Industrial Value Enhancement (STRIVE), Loan No -5965 IN for the year ended 31.03.2022.**

Sir,

We have audited the accompanying financial statement of **World Bank assisted Skills Strengthening for Industrial Value Enhancement (STRIVE)**, financed under World Bank **Loan A/c No.- 5965 IN**, which comprise the statement of sources and applications of funds and the reconciliation of the claims to the total applications of Funds for the year ended 31.03.2022. These statements are the responsibility of the Project's Management. Our responsibility is to express an opinion on the accompanying financial statements of based on our audit.

We conducted our audit in accordance with the 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 disclosures in the financial statements. It also includes assessing the 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, except for the ineligible expenditure as detailed in the audit observations appended in this audit report, the financial statements present fairly, in all material respects, the sources and application of funds of **Skills Strengthening for Industrial**



**Value Enhancement (STRIVE), Loan No -5965 IN** for the year ended 31.03.2022 is in accordance with Government of India accounting standards.

In addition, in our opinion, with respect to SOEs, adequate supporting documentation has been maintained to support the claims to the World Bank for reimbursements of expenditures incurred and expenditures are eligible for financing under the loan / credit agreement. During the course of audit, SOEs/ FMRs 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 Comptroller & Auditor General's right to incorporate the audit observation in the Report of CAG of India for being laid before Parliament / State Legislature.

Encl- 1) Statement of Sources and Application of Funds  
2) Audit Observation



**Sr. Deputy Accountant General/AMG-IV**



Name of the Project: **Skills Strengthening for Industrial Value Enhancement (STRIVE)**

Loan/ Credit/ Grant No – IDP Loan No -5965 IN

Statement of Sources and Applications of Funds

Report for financial year ended on 31.03.2022

(Amounts in ₹)

Particulars	Up to previous year (31.03.2021)	Current year Expenditure reported in SoE 01.04.2021 to 31.03.2022	Ineligible expenditure (01.04.2021 to 31.3.2022)	Amount Qualified for certification (01.04.2021 to 31.3.2022)	Qualified Expenditure Project till date 31.03.2022
Opening Balance (if cash Balance is controlled by the Entity) (A)	--	6,96,33,899	--	6,96,33,899	--
<b>Receipts</b>					
Funds Received from Government through Budget					
a. Result Area 1	7,29,00,000	1,68,00,000	--	1,68,00,000	8,97,00,000
b. Result Area 2- SPIU of DTET	4,51,20,000	56,40,000	--	56,40,000	5,07,60,000
c. Result Area 4- Industry Cluster	40,00,000	80,00,000	--	80,00,000	1,20,00,000
d. SAMC- SPIU of DTET	69,93,000	46,22,000	--	46,22,000	1,16,15,000
e. SPIU	28,41,000	--	--	--	28,41,000
Beneficiary Contribution ( Govt. of Odisha Contribution)	Nil	42,59,063	--	42,59,063	42,59,063
<b>Total Receipts (B)</b>	<b>13,18,54,000</b>	<b>3,93,21,063</b>	<b>--</b>	<b>3,93,21,063</b>	<b>17,11,75,063</b>
<b>Total Source (C= A+B)</b>	<b>13,18,54,000</b>	<b>10,89,54,962</b>	<b>--</b>	<b>10,89,54,962</b>	<b>17,11,75,063</b>
<b>Expenditure by components</b>					
a. Result Area 1	2,43,37,741	4,08,64,034	--	4,08,64,034	6,52,01,775
b. Result Area 2- SPIU of DTET	2,75,03,146	49,96,063	--	49,96,063	3,24,99,209
c. Result Area 4- Industry Cluster	20,78,153	7,19,850	--	7,19,850	27,98,003
d. SAMC- SPIU of DTET	64,76,713	48,39,800	--	48,39,800	1,13,16,513
e. SPIU	18,24,348	22,25,400	--	22,25,400	40,49,748
<b>Total Expenditure (D)</b>	<b>6,22,20,101</b>	<b>5,36,45,147</b>	<b>--</b>	<b>5,36,45,147</b>	<b>11,58,65,248</b>
<b>Closing Balance (C-D)</b>	<b>6,96,33,899</b>	<b>5,53,09,815</b>	<b>--</b>	<b>5,53,09,815</b>	<b>5,53,09,815</b>

  
Sr. Audit Officer/FINAT



**Name of the Project: Skills Strengthening for Industrial Value Enhancement (STRIVE)**

**Loan/ Credit/ Grant No – IDP Loan No -5965 -IN  
Report for financial year ended on 31.03.2022**

**AUDIT OBSERVATIONS**

**1) Sanction of funds amounting to ₹42,59,063/- by Govt. of Odisha for on-boarding of scholarship schemes with State Scholarship Portal by OCAC**

Implementation of the STRIVE follows the Program for Result (PforR) instrument of The World Bank. Fund disbursement from The World Bank to the Government of India (GoI) will be based on achievement of agreed results, known as Disbursement Linked Indicators (DLIs). Each DLI has multiple Disbursement Linked Results (DLRs) with financing amount linked to each DLR. Upon achievement of each DLR, the respective amount of funds will be disbursed by The World Bank to the Government of India. Similarly, a set of indicators (known as Key Performance Indicators or KPIs) as well as subsequent milestone for each KPI are agreed between the MSDE and the implementing agencies (i.e. States/ UT, ITIs and ICs). Each of these milestones has a financing amount linked to it. Once the implementing agencies achieve the milestone, they will be eligible to claim for release of the amount of funds associated with these KPI milestone. All fund will be released from MSDE to the State Governments via use of PFMS to ensure accountability of utilizing public money. A dedicated public sector banking entity will be empanelled for real-time financial monitoring of funds released to various implementing agencies.

However, during the audit it is observed that Govt. of Odisha directly released total amount of ₹42,59,063/- vide Sanction Order No. 202120702086, dtd. 07.07.2021 (₹7,66,631/-), Sanction Order No. 202120707953, dtd. 07.07.2021 (₹25,12,847/-) and Sanction Order No. 202120707968, dtd. 07.07.2021 (₹9,79,585/-) for payment to OCAC towards on-boarding of scholarship schemes with State Scholarship Portal by OCAC, Bhubaneswar. As these amounts were directly released by GoO, it does not reflect in PFMS and it cannot be linked with achievement of Key Performance Indicators.

**2) Non-refund of ₹10,51,397/- by North Orissa Chamber of Commerce and Industry (NOCCI), Balasore**

During the audit of World Bank aided STRIVE Project it is observed that an amount of ₹40,00,000/- was released to NOCCI, Balasore under Result Area 4 (Industry Cluster). Out of ₹40,00,000/-, expenditure amounting to ₹27,998,003/- was approved and reported in SOE by Internal Audit in SOE and an amount of ₹1,50,600/- was refunded by NOCCI, Balasore. The rest amount of ₹10,51,397/- is required to be refunded by NOCCI, Balasore to DTE&T,



Cuttack. However, as on date the same has not be refunded. Necessary steps may be taken to brought back the amount in STRIVE Account.

### **3) Non adherence to Delegation of Administrative and Financial Power laid down in STRIVE Operation Manual during procurement of Goods**

As per Para (3.B.b.vi) of Guideline on Government e-Market Place (GeM) the buyers before placing the order on GeM should have the required mandatory approval with prior sanction and approval of the competent authorities and shall be in compliance with and as per procedure outline in GFR and other procurement guidelines issued by the Govt. from time to time.

Further, Para 4.2.4. Delegation of Administrative and Financial Powers by the State Governments to the “Competent Authorities” of Government/Private ITIs and ICs laid down in STRIVE Operation Manual state that procurement of value above Rs. 25 lakh should be done at State Project Implementation Unit (SPIU) with approval of State Steering Committee (SSC). However, during audit it was noticed that vide GeM Invoice No. GEM-12624615 dated 26/03/2021 procurement of following items amounting to Rs. 30,00,00/- was made by ITI, Hinjilicut without prior administrative and financial approval of SPIU (SSC) violating delegation of administrative and financial power.

<b>Sl. No.</b>	<b>Product Description</b>	<b>Quantity</b>	<b>Unit Price (In Rs)</b>	<b>Total price (In Rs)</b>
	Quadrotor Assembly Kit for Training	3	2,50,000	7,50,000
	Unmanned Ariel System Simulator	2	6,50,000	13,00,000
	Micro Unmanned Aerial System	1	9,50,000	9,50,000
<b>Total</b>				<b>30,00,000</b>

In response to the observation, Principal, ITI, Hinjilikatu stated that DTE&T, Odisha vide letter no. 222 dated 08.03.2021 has been requested for approval. The response of the ITI, Hinjilicut is not tenable, due to the fact that there is no administrative as well as financial approval of SPIU was taken before placing order on GeM.

### **4) Idle Purchase of Drone and its supporting equipments**

As per Rule-97 of OGFR Vol-I Purchases must be made in the most economical manner in accordance with the definite requirements of the public service.

Scrutiny of files revealed that in 1st General Body Meeting held on 10/04/2019 it was decided to introduce two new courses (New Age Trade) namely SOLAR TECHNICIAN (Electrical) and DRONE PILOT in ITI, Hinjilicut under STRIVE Project. Subsequently list of Tools and

Equipment was prepared and accordingly items were purchased for establishing infrastructure and taking affiliation from Director General of Training (DGT).

For DRONE PILOT course one unit of Drone and its supporting equipments amounting to Rs.30.00 lakh were purchased from Inventgrid India Private Limited on 31.03.2021 vide GeM Portal. ITI, Hinjilicut applied for affiliation on 02/11/2020 but it was not acceded to by DGT vide letter No- E-file 51211 dated 06/07/2022.

Audit observed that due to non-affiliation of the new trade (Drone Pilot), the drone and other equipments worth Rs. 30,00,000/- were lying idle for the last two years. Hence, steps may be taken for obtain early affiliation of the course from DGT or introduce other courses regarding drone technology so that students could get benefit.

  
**Sr. Audit Officer/FINAT**