

DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING (STRIVE)

**INTERNAL AUDIT REPORT
FOR THE PERIOD FROM
1ST OCTOBER'2021 TO 31ST MARCH'2022**

HEAD OFFICE

**A.K. AZAD ROAD REHABARI
Guwahati- 781008**

AUDITORS



SPRK & CO.

(Chartered Accountants)

**1st Floor, Royal View Building, Dr. B. K.Kakati Road
Ulbari, Guwahati – 781007, Assam
Ph- 0361-2460984, 9435110848. Email – sprkco@rediffmail.com**

Branches

- 1) Flat No. A1, Siddhidham Apartment
Jyotinagar, Ward No. 41
Sevoke Road, Siliguri
Siliguri- 734001
West Bengal
- 2) Sparkplug Coworks # 42,
4th Block, 2nd Floor,
Kormangla, Bengaluru- 560034
Karnataka
- 3) G-11, Bhavya Residency
Near Lakhdatar Hotel
Khatushyamji, Sikar- 332602
Rajasthan
- 4) Flat No 1206, Tower 5
Lotus Panache,
Sector 110,
Noida-201304
Uttar Pradesh
- 5) TD Road, Opposite ICICI Bank
West Garo Hills
Tura- 794001
Meghalaya
- 6) House No 7, Merapani LP School,
Wokha, Nagaland - 797100



SPRK & CO.
CHARTERED ACCOUNTANTS

Contact: 0361-2460984,94351-10848;Email:sprkco@rediffmail.com

1st Floor, Royal View Building
Dr. B.K.Kakoti Road,
Ulubari, Guwahati,
PIN: 781007, Assam

PART-1-Executive Summary

SCOPE

We have conducted the internal audit assignment of **Directorate of Employment & Craftsmen Training (STRIVE)** in terms of the appointment letter issued to us. The time period covered by the audit is from 1st October'2021 to 31st March'2022. Audit procedures performed are designed to evaluate the adequacy, efficiency and effectiveness of the Company's internal control processes.

SOURCES OF INFORMATION

Audit work was conducted on the basis of enquiry, observation, confirmation and verification of supporting documentation and identified processes.

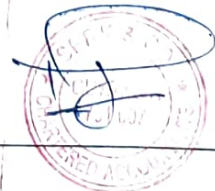
It is an inherent limitation that accounting and internal control systems cannot provide management with conclusive evidence that objectives are reached due to the following reasons:

- There is a potential human error due to carelessness, distraction, mistakes of judgments and misunderstanding of instructions.
- The possibility that a person responsible for exercising an internal control could abuse that responsibility.
- That possibility of circumventing of internal controls through the collusion of a member of management or an employee inside or an outside entity
- The possibility that the procedures may become inadequate due to changes in conditions, and compliance with the procedures may deteriorate.

MANAGEMENT RESPONSIBILITIES IN TERMS OF GOVERNANCE, RISK AND CONTROLS

Management is responsible for the establishment and maintenance of effective systems of governance to:

- Promote appropriate ethics and values within the department;
- Ensure effective organizational performance management and accountability;
- Communicate risk and control information appropriate areas in the department; and



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(4) TD Road, Opposite ICICI Bank, West Garo Hills , Tura-794001
(5) G-11,Bhavya Residency, Near Lakhdatar Hotel,Khatushyamji,Sikar-332602
(6) House No. 7, Merapani LP School, Merapani Town, Wokha, Nagaland- 797110



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- **Coordinate the activities of and communication of information by external and internal auditors and management.**

Management is further responsible for the establishment and maintenance of an effective system of internal control and risk management. The objectives of the system of internal control are, inter alia, to provide management with reasonable, but not absolute, assurance that:

- **Objectives are achieved;**
- **Financial and operational information are reliable;**
- **Operations and programs are effective and efficient;**
- **Assets are safeguarded;**
- **Laws, regulations, policies, procedures and contracts are complied with; and**
- **Risks are identified, appropriate risk responses selected, communicated and managed.**

The principal safeguard against fraud, misstatement and irregularities is an effective system of internal control. It must, however, be recognized that there are inherent limitations in any system of internal control including management override, human error and circumventions through collusion. The prevention and detection of fraud is therefore management's responsibility. Management representations made are considered to form part of our audit evidence. Any management representations will be accepted on face value and in good faith. We will not perform detailed procedures to verify the accuracy, validity or completeness of the representations.

APPRECIATION

We thank the management for their cooperation in conduct of this audit. Should there be any clarifications the management is free to revert to us.



Cont'd:3

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PART-2 – OBSERVATIONS

- i) Manual Attendance Register/Biometric Attendance not maintained for payment of Salary to the staffs due to which present/leave details of the staffs cannot be checked.
- ii) Professional Tax has been regularly deducted by the Management on salary payment but deposits of the same has not been made. The Management should comply with the Statutory Obligations strictly to avoid any late fee/penalty/interest imposed by the tax authority.
- iii) Fixed Asset Numbering has not been done by DECT (only marking of Project (STRIVE) name have been done) for assets purchased by them. Proper identification of assets can be made if the assets has been numbered. Also, assets sent to the Field has not been entered in the fixed Asset Register. The same should be entered in the Fixed Asset Register as payment of the same has been made by DECT, Guwahati.
- iv) Labour Cess deducted of amount Rs. 8966/- in the Bill of Kushal Kakati for Repairing /Renovation of Class Rooms, Approach Road, Firefighting Works etc. at ITI Dibrugarh in FY 2019-20 has not been paid. The Management should comply with the Statutory Obligations strictly to avoid any late fee/penalty/interest imposed by the Labour Department.
- v) An amount of Rs. 187808/- has been paid to National Informatics Centre Services Inc. against 2 Nos. of Performa Invoice. Payment should be made based on Tax invoice only and not on the basis of Performa Invoice. Tax Invoice of the same has not been produced for verification.
- vi) 6 officials have visited Bangalore, Karnataka to undertake a Study Tour w.ef. 28.02.2022 to 03.03.2022 in which flight ticket cancellation charges of Rs. 7000/- (Rs. 3500x2) incurred for cancellation the to & for ticket of Mr. Bhupendra Barman. The Bills has been submitted by susmitra Travels vide Inv. No ST/21-22/2234 & 2238 dtd. 26.02.2022 for total Amount of Rs. 168558/-. Such unnecessary expenditures should be avoided.
- vii) GST TDS deducted in the month of January'2022 for total amount Rs. 102447/- has not been deposited within the due date. The Management should comply with the Statutory Obligations strictly to avoid any late fee/penalty/interest imposed by the tax authority.

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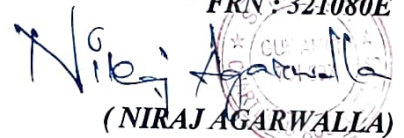
- viii) Income Tax TDS deducted in the month of October'2021 for total amount Rs. 13140/- has not been deposited within the due date. The Management should comply with the Statutory Obligations strictly to avoid any late fee/penalty/interest imposed by the tax authority.
- ix) Income Tax TDS deducted in the month of January'2022 for total amount Rs. 98397/- has not been deposited till 31.03.2022. The Management should comply with the Statutory Obligations strictly to avoid any late fee/penalty/interest imposed by the tax authority.
- x) An amount of Rs. 2.84 Crores has been released to 5 No. of ITI as 40% advance as per eligible expenditure of ISP. The Fund has been expended by the ITI's and Utilization Certificate has been submitted by the ITI's to DECT. The Utilization Certificate has neither been certified by the Chartered Accountant nor has the same been audited. As per Letter of Ministry of skill Development and Entrepreneurship vide Letter No. DGT-35(4)/STRIVE/Assam-RA-1/Phase-1/2020-NPIU dated 17.11.2020 the accounts of all guarantee institution should be audited by NPIU/SPIU either by its own or through any agency. But the same has not been audited and simply a Utilization Certificate has been submitted by the Guarantee Institution.

Place : Guwahati

Date : 31st August'2022

For S P R K & CO.
Chartered Accountants

FRN : 321080E


(NIRAJ AGARWALLA)

PARTNER

Membership No. 310895

UDIN: 22310895ARMYEG7877

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DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM

BALANCE SHEET FOR THE PERIOD FROM 1ST OCTOBER' 2021 TO 31ST MARCH' 2022

LIABILITIES			ASSETS		
PARTICULARS	AMOUNT	AMOUNT	PARTICULARS	AMOUNT	AMOUNT
<u>GENERAL FUND</u>					
Opening Balance	5,16,92,898.00		Fixed Assets (As per Schedule-II)		77,42,265.00
Add: Surplus/(Deficit) transferred from I/E A/c	(1,67,52,791.36)	3,49,40,106.64	Loans & Advances (As per Schedule-III)		1,67,89,364.60
Reserve for Fixed Assets		77,42,265.00	<u>Cash & Bank Balance</u>		
Current Liabilities (As per Schedule-I)		2,09,568.00	Cash in Hand	NIL	
			<u>Cash at Bank</u>		
			Bank of India (A/c No:500510110003642)	23,99,000.00	
			Bank of India (A/c 500510110004864)	1,59,61,310.04	1,83,60,310.04
		42891939.64			42891939.64

For SPRK & Co.

Chartered Accountants

Firm Regn. No. 321080E

Niraj Agarwalla
(NIRAJ AGARWALLA)

Partner

Membership No. 310895

M. S. B.

Joint Director,

Employment & Craftsmen Training, Govt. of Assam

Joint Director of Craftsmen Training
Directorate of Employment and Craftsmen
Training, Assam, Rehabilitation, Guwahati-8.

Place : Guwahati

Date : 31st August' 2022

**DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
A.K. AZAD ROAD, REHABARI**

SCHEDULES OF BALANCE SHEET

SCHEDULE-I

Details of Current Liabilities

PARTICULARS	01.10.2021 TO 31.03.2022
Salary Payable	NIL
Professional Tax	12,540.00
Income Tax TDS	98,397.00
Labour Cess	8,966.00
Forest Royalty	NIL
Security Deposit (Kushal Kakati)	89,665.00
TOTAL	2,09,568.00

SCHEDULE-II

Details of Fixed Assets

PARTICULARS	01.10.2021 TO 31.03.2022
Workstation with file cabinet and Executive table with file cabinet	13,67,426.00
Computer Spares & EDP Equipments	58,45,640.00
Video Conferencing (Max hub Panel)	4,05,000.00
Multimedia Projector	1,24,199.00
TOTAL	77,42,265.00

SCHEDULE-III

Details of Loans & Advances

PARTICULARS	01.10.2021 TO 31.03.2022
<u>Fund Transferred to ITI's</u>	
IMC ITI Tinsukia	44,00,000.00
Govt. ITI Jorhat	64,89,364.60
Govt. ITI for Women Guwahati	59,00,000.00
TOTAL	1,67,89,364.60



DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
A.K. AZAD ROAD, REHABARI

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD
FROM 1ST OCTOBER' 2021 TO 31ST MARCH' 2022

EXPENDITURE			INCOME		
PARTICULARS	AMOUNT	AMOUNT	PARTICULARS	AMOUNT	AMOUNT
To Salary & Remuneration		375904.00	By Fund Received during the year (As per Annexure-VI)		2399000.00
" Procurement of Fixed Assets (As per Annexure-VIII)		7429617.00	" Bank Interest		362174.00
" Expenses Incurred by ITI's (As per Annexure-IX)		11072869.00	" Bank Interest of ITI's (As per Annexure-VII)		133980.63
" Manpower Expenses for Software Development (NIC Services Inc.)		593904.00	" Tender Fee Earned by Govt. ITI Nagaon		1062.00
" Registration of SCVT		7670.00			
" Travelling & Conveyance		168558.00			
" Bank Charges		474.36			

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" Bank Charges of ITI's		11.63			
" Surplus transferred to Balance Sheet		NIL	"	Deficit transferred to Balance Sheet	16752791.36
		19649007.99			19649007.99

Place : Guwahati
Date : 31st August' 2022

Nabe
Joint Director,
Employment & Craftmen Training, Govt. of Assam

Joint Director of Craftmen Training
Directorate of Employment and Craftmen
Training, Assam, Rehabat, Guwahati-8.

For SPRK & Co.
Chartered Accountants
Firm Regn. No. 321080E
N. G. Agarwalla
(NIRAJ AGARWALLA)
Partner
Membership No. 310895

**DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
A.K. AZAD ROAD, REHABARI**

DETAILS OF INCOME AND EXPENDITURE ACCOUNT

ANNEXURE-VI

Details of Fund Received

PARTICULARS	01.10.2021 TO 31.03.2022
RA-1	NIL
RA-2	23,99,000.00
RA-4	NIL
TOTAL	23,99,000.00

ANNEXURE-VII

Details of Bank Interest of ITI's

PARTICULARS	01.10.2021 TO 31.03.2022
Ajmal Rural Technology & Demonstration Centre	39,950.63
Govt. ITI for Women Guwahati	94,030.00
TOTAL	1,33,980.63

ANNEXURE-VIII

Details of Procurement of Fixed Assets

PARTICULARS	01.10.2021 TO 31.03.2022
Workstation with file cabinet and Executive table with file cabinet	13,14,000.00
UPS (2nos.)	5,000.00
Lenovo Laptop (2 nos.)	1,39,117.00
Procurement of Computer	55,66,500.00
Video Conferencing (Max hub Panel)	4,05,000.00
TOTAL	74,29,617.00

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DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
A.K. AZAD ROAD, REHABARI

DETAILS OF INCOME AND EXPENDITURE ACCOUNT

ANNEXURE-IX

Details of Expenses Incurred by ITI's

PARTICULARS	01.10.2021 TO 31.03.2022
Ajmal Rural Technology & Demonstration Centre	45,72,957.00
Govt. ITI Nagaon	64,99,912.00
TOTAL	1,10,72,869.00



DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM

RECEIPTS & PAYMENTS ACCOUNT FOR THE PERIOD
FROM 1ST OCTOBER' 2021 TO 31ST MARCH' 2022

RECEIPTS			PAYMENTS		
PARTICULARS	AMOUNT	AMOUNT	PARTICULARS	AMOUNT	AMOUNT
<u>Opening Balance:</u>					
Cash in Hand	NIL		Salary & Remuneration		373576.00
Cash at Bank			Procurement of Fixed Assets (As per Annexure-III)		7212751.00
Bank of India (A/c No:500510110003642)	28503682.00	28503682.00	Bank charges		474.36
Fund Received (As per Annexure-I)		2399000.00	Manpower Expenses for Software Development (NIC Services Inc.)		593904.00
Fund Received from ITI's (As per Annexure-II)		8796284.40	Registration of SCVT		7670.00
Bank Interest		362174.00	Travelling & Conveyance		168558.00
			Payment of Statutory Dues (As per Annexure-IV)		120410.00
			Fund Transferred to ITI's (As per Annexure-V)		13223487.00



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			Closing Balance:		
			Cash in Hand	NIL	
			<u>Cash at Bank</u>		
			Bank of India (A/c No:500510110003642)	2399000.00	
			Bank of India (A/c 500510110004864)	15961310.04	18360310.04
		40061140.40			40061140.40

For SPRK & Co.
Chartered Accountants
Firm Regn. No. 321080E


NIRAJ AGARWALLA
Partner

Membership No. 310895

Place : Guwahati

Date : 31st August' 2022



Joint Director,
Employment & Craftsmen Training, Govt. of Assam

Joint Director of Craftsmen Training
Directorate of Employment and Craftsmen
Training Assam, Rehabilitation, Guwahati-0.

**DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
A.K. AZAD ROAD, REHABARI**

DETAILS OF RECEIPTS AND PAYMENTS ACCOUNT

ANNEXURE-I

Details of Fund Received

PARTICULARS	01.10.2021 TO 31.03.2022
RA-1	NIL
RA-2	23,99,000.00
RA-4	NIL
TOTAL	23,99,000.00

ANNEXURE-II

Details of Fund Received from ITI's


PARTICULARS	01.10.2021 TO 31.03.2022
Ajmal Rural Technology & Demonstration Centre	5,66,981.83
IMC ITI Tinsukia	15,43,123.00
Govt. ITI Jorhat	35,22,255.40
Govt. ITI for Women Guwahati	31,62,774.00
Govt. ITI Nagaon	1,150.17
TOTAL	87,96,284.40

ANNEXURE-III

Details of Procurement of Fixed Assets

PARTICULARS	01.10.2021 TO 31.03.2022
Workstation with file cabinet and Executive table with file cabinet	13,00,860.00
UPS (2nos.)	4,900.00
Lenovo Laptop (2 nos.)	1,36,335.00
Procurement of Computer	53,77,806.00
Video Conferencing (Max hub Panel)	3,92,850.00
TOTAL	72,12,751.00

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DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
A.K. AZAD ROAD, REHABARI

DETAILS OF RECEIPTS AND PAYMENTS ACCOUNT

ANNEXURE-IV

Details of Payment of Statutory Dues

PARTICULARS	01.10.2021 TO 31.03.2022
GST TDS	1,07,270.00
Income Tax TDS	13,140.00
TOTAL	1,20,410.00

ANNEXURE-V

Details of Fund Transferred to ITI's

PARTICULARS	01.10.2021 TO 31.03.2022
Ajmal Rural Technology & Demonstration Centre	51,00,000.00
IMC ITI Tinsukia	15,43,123.00
Govt. ITI Jorhat	35,11,620.00
Govt. ITI for Women Guwahati	30,68,744.00
TOTAL	1,32,23,487.00

**DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
A.K. AZAD ROAD, REHABARI**

BANK RECONCILIATION STATEMENT AS AT 31ST MARCH 2022

S.No.	Particulars	Amount(Rs.)
1	Bank Balance as per Cash Book as on 31.03.2022 Bank of India, Savings Account No. 500510110003642 Dispur Branch, Guwahati	NIL 23,99,000.00
	Bank of India Savings A/c No. 500510110004864 Bhangagarh, Guwahati	1,59,61,310.04
		1,83,60,310.04
2	a. Add <u>Cheques issued but not encashed in the Bank :</u> <u>Cheque No</u> <u>Date</u> <u>Amount</u> NIL	
	a. Less <u>Cheques deposited but not encashed in the Bank :</u> <u>Cheque No</u> <u>Date</u> <u>Amount</u> NIL	
	Sub Total- 2 (a-b)	-
3	Bank Balance as per Bank Statement/Passbook as on 31.03.22 Bank of India, Savings Account No. 500510110003642 Dispur Branch, Guwahati	NIL 23,99,000.00
	Bank of India Savings A/c No. 500510110004864 Bhangagarh, Guwahati	15961310.04
		1,83,60,310.04




DIRECTORATE OF EMPLOYMENT & CRAFTSMEN TRAINING
GOVERNMENT OF ASSAM
PROCUREMENT AUDIT REPORT AS AT 31ST MARCH' 2022

S.N	Itineraries ensured by Auditors	Compliance from Auditors (yes/No)	Comment of auditor in case of variation in detail
1.	Goods and services financed have been procured in accordance with the relevant financing agreement and procurement norms as laid out in the operations manual;	Yes	Nil
2.	Procurement processes being followed at the ITIs, ICs and State Societies are as per Procurement Guidelines under STRIVE project as per para 4.2 of the OM.	Yes	Nil
3.	Any procurement related complaints received, and time taken in disposal of each such complaint, and verifying that No contracts excluded from the Program have been awarded.	Yes	Nil
4.	Contract Award Notice (CAN) as per applicable formats (Competitive selection, Request for quotations, Direct Selection) are uploaded on website/public domain against of each of the completed procurement (applicable in case of LOA/contract issued)	Yes	Nil
5.	Any other section reviewed on procurement	No	Nil

Note: Observation As Part –II of Auditor's Report Should be followed.

Place : Guwahati
Date : 31st August'2022

For SPRK & CO.
Chartered Accountants
 FRN: 30880E

(CA NIRAJ AGARWALLA)
PARTNER
Membership No. 310895