

CHAPTER-III THEMATIC AUDIT

Labour and Employment Department

3.1 Functioning of Himachal Pradesh Building and Other Construction Workers Welfare Board

3.1.1 Introduction

The Government of India (GOI) enacted (August 1996)¹ the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) for constitution of a Welfare Board in each State to undertake social security schemes². The GOI also enacted (August 1996)³ the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act). The GOI framed (March 1998) the Building and other Construction Workers' Welfare Cess Rules, 1998 (Cess Rules). To augment the resources of the Board, Section 3 of the Cess Act as amended in September 1996 provided for levy and collection of labour welfare cess at a uniform rate of one *per cent* of the cost of construction incurred by the employer. For the safety, health and welfare of the workers, the State Government, in pursuance of sections 40 and 62 of the BOCW Act, also framed (December 2008) the Himachal Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 (HPBOCW Rules). The State Government constituted (March 2009) the Himachal Pradesh Building and Other Construction Workers Welfare Board (Board) to carry out welfare schemes for construction workers. The provisions of BOCW Act are applicable to every establishment which employs, or had employed on any day of the preceding 12 months, 10 or more workers in any building or other construction works. All such establishments engaged in construction activity are liable to pay cess under the Cess Act except construction activity by an employer in relation to his residence costing less than ₹ 10 lakh (excluding the cost of land).

3.1.2 Organisational set-up

To oversee the implementation of the BOCW and Cess Acts, the State Government had appointed (April 2009) the Labour Commissioner of the State as Chief Inspector and Appellate Authority, Joint Commissioner and Deputy Labour Commissioner as Inspectors for the whole State and Labour Officers and Labour Inspectors as Inspectors within their respective jurisdiction. The State Government had also appointed

¹ Effective from 1 March 1996.

² Provide loans and advances to beneficiaries for construction of houses, financial assistance for education of children, medical assistance to beneficiaries, disability pension, financial assistance for marriages, personal accident insurance scheme, etc.

³ Effective from 3 November 1995.

(April 2009) the Labour Officers⁴ as Registering Officers, Assessing Officers, Cess Collectors and Authorised Officers.

The Board is headed by a Chairman nominated by the Governor. The Secretary of the Board is an officer of the Government not below the rank of Deputy Labour Commissioner. The other members of the Board are, an Under Secretary of the Ministry of Labour and Employment, GOI and 15 representatives, five each from the State Government, employers and workers.

3.1.3 Audit Objectives

The objectives of audit of the Board were to assess whether:

- Planning process for implementation of welfare measures was effective;
- Fund management was efficient and effective;
- Welfare measures were implemented effectively;
- Human resource management was effective; and
- Monitoring and internal control mechanism was in place and effective.

3.1.4 Scope and Methodology of Audit

In the course of test-check during compliance audit, the records maintained in the offices of the Board, Shimla, Labour Commissioner (Chief Inspector), Shimla and four⁵ out of 12 Labour Officers for the period 2009-12 were test-checked by adopting the sampling method of Probability Proportionate to Size Without Replacement (PPSWOR) in audit during June-July 2012. Replies of the implementing agencies have been considered while arriving at audit conclusions.

Audit Findings

3.1.5 Planning for implementation of Act

3.1.5.1 Delay in formation of Himachal Pradesh Building and Other Construction Workers Welfare Board

The implementation of the BOCW Act, 1996 was not ensured expeditiously by the State Government which took more than 12 years to constitute the Board after enactment of the Act, *ibid*. As a result, the implementation of the provisions for safety and welfare of the workers were not complied with upto March 2009. The Labour Commissioner attributed (July 2012) the delay in the constitution of the Board to non-completion of codal formalities at various levels. The reply is not convincing as requisite codal formalities should have been completed in a time bound manner to provide social security and other

⁴ Baddi, Bilaspur, Chamba, Dharamshala, Kinnaur, Kullu, Mandi, Nahan, Rampur, Shimla, Solan and Una.

⁵ Bilaspur, Chamba, Dharamshala and Kinnaur.

welfare measures envisaged for the benefit of the workers. The delay on the part of the State Government is also evident from the fact that the State Government constituted the Expert Committee to advise the Government for making Rules after a delay of more than seven years from the enactment of the BOCW Act by the GOI.

3.1.5.2 Shortfall in conducting meetings of the Board

Rule 253 of HPBOCW Rules, 2008 provides that the Board shall ordinarily meet once in two months.

Scrutiny of records (June 2012) revealed that during 2009-12 against the required 18 meetings, only 10 meetings were held which resulted in shortfall of eight meetings thereby affecting effectiveness in the implementation of the BOCW Act in the required manner. Although insurance schemes for the benefit of the workers was discussed in one of these meetings (July 2011), major issues discussed in the other meetings related to maintenance of accounts, hiring of office building, purchase of vehicle, preparation of identity card to workers, fixing of registration fee, appointment of staff on outsource basis, etc. This showed ineffectiveness of the Board in ensuring implementation of the BOCW Act in the required manner.

The Secretary of the Board stated (July 2012) that due to lack of infrastructure and other basic requirements for the newly created Board, the time schedule of meetings could not be adhered to. The reply does not explain as to why required priority was not given because of which the requisite infrastructure could not be provided to the Board for its smooth functioning.

3.1.5.3 Constitution of State Advisory Committee

As per the BOCW Act 1996 the State Government was to constitute a State Advisory Committee (SAC) consisting of a chairperson, two members of the State Legislature, a member from GOI, Labour Commissioner of the State as Chief Inspector, seven to eleven nominees of the State Government representing employers, building workers, etc., to advise the State Government on matters arising out of the administration of the Act.

It was noticed in audit that the State Government constituted the SAC in May 2011 after a delay of more than 14 years from the enactment of the Act. The SAC was required to meet at least once in six months. However, no meeting was held as of July 2012. Thus, even after its formation it had not delivered any advice to the State Government as of July 2012. The Labour Commissioner stated (July 2012) that no exigency for holding the meeting of the SAC had arisen. The reply is not acceptable because it was mandatory to hold such meetings under the HPBOCW Rules 2008. The inordinate delay in the formation of the SAC itself indicates a lack of will and initiative on the part of the

Government to take the issue of worker welfare forward through eliciting suitable expert advice on the subject.

3.1.5.4 Identification of beneficiaries

As per provisions of the BOCW Act, construction workers between the age group of 18 and 60 years who have completed 90 days of service as a building worker during the preceding 12 months, after registration and receipt of identity cards are eligible as beneficiaries under the Act.

The State Government had not devised any system to ascertain the actual number of eligible beneficiaries in the State. An ad-hoc target for identification of beneficiaries was fixed during the year 2011-12 for the Registering Officers whereas no targets were fixed prior to this period. Against the target of estimated number of 37,000 construction workers to be registered during 2011-12, only 5,214 workers were registered with the shortfall working out to 86 *per cent*. This shows that the efforts of the State Government to secure the interest of workers involved in construction activity in the State were deficient. The Labour Commissioner stated (July 2012) that no survey for ascertaining the exact number of workers was conducted and as such no data was available with the Department. However, only an ad-hoc target was fixed for 2011-12. Thus Department's inefficiency to ensure identification of exact number of beneficiaries workers led to non-implementation of the BOCW Act in an effective way.

3.1.6 Financial management

3.1.6.1 Financial resources of the Board

The Board requested the State Government to sanction Grant-in-Aid or loan in May 2009 for carrying out its functions. The Finance Department in August 2009 expressed its inability to provide Grant-in-Aid or loan. Hence the cess collected under the Cess Act, registration fee from employers and workers and monthly subscription from the workers were the only financial resources (Fund) of the Board. The fund was required to be applied by the Board for meeting the expenses on welfare schemes⁶ of workers, salaries, allowances and other remunerations of the members, officers and other employees and other administrative expenses, etc., of the Board. The year-wise position of funds

⁶ Maternity benefits, pension, advances for purchase or construction of houses, disability pension, loans for tools, payment of funeral assistance, death benefits, medical assistance, financial assistance for education and marriage of children, premia for group insurance scheme, assistance in case of accidents, etc.

received and expenditure incurred there against during 2009-12 is given in **Table 3.1** below:

Table-3.1

(₹ in crore)

Year	Opening balance	Cess received	Subscription and Registration fee collected	Misc. Income/ Interest received	Total funds available	Expenditure incurred		Balance
						On Welfare Scheme	Other Expenditure	
2009-10	0	24.20	0	0.07	24.27	--	0.21	24.06
2010-11	24.06	42.63	0.01	0.48	67.18	--	0.30	66.88
2011-12	66.88	40.58	0.04	1.01	108.51	0.04	0.33	108.14
Total		107.41	0.05	1.56		0.04	0.84	108.14

Source: Figures supplied by the Board. Figures for 2011-12 are based on unaudited accounts.

From the above Table, it would be seen that during 2009-12 the Board received ₹ 107.46 crore (cess: ₹ 107.41 crore and subscription: ₹ 0.05 crore), out of which only ₹ 0.88 crore on welfare schemes (₹ 0.04 crore) and establishment and other expenditure (₹ 0.84 crore) was spent during the above period. The balance amount of ₹ 108.14 crore including interest of ₹ 1.56 crore earned on bank deposits during 2009-12 was lying unutilised in the banks in the shape of Fixed Deposit Receipts (₹ 106.77 crore) and in savings bank account (₹ 1.37 crore) respectively.

3.1.6.2 Unauthorised expenditure on administrative expenses

Section 24 (3) of the BOCW Act 1996 provides that administrative expenses of the Board, in any financial year should not exceed five *per cent* of the total expenditure incurred during that year.

It was noticed in audit that against the expenditure of a maximum of ₹ 0.05 crore (five *per cent* of total expenditure of ₹ 0.88 crore) required to be incurred on salaries and other administrative expenses during the period 2009-12⁷, the Board had incurred an expenditure of ₹ 0.84 crore. Thus, expenditure of ₹ 0.79 crore being administrative costs incurred during the period 2009-12 in contravention of the provisions of the BOCW Act was irregular.

The Secretary of the Board stated (July 2012) that most of the expenditure was incurred on committed liabilities like purchase of office equipment/ furniture, vehicle and other administrative expenses to facilitate the workers. The reply is not acceptable as it was contrary to the norms laid down in the BOCW Act.

⁷ Required expenditure (2009-10: ₹ 0.01 crore; 2010-11: ₹ 0.02 crore and 2011-12: ₹ 0.02 crore). Actual expenditure (2009-10: ₹ 0.21 crore; 2010-11: ₹ 0.30 crore and 2011-12: ₹ 0.33 crore).

3.1.6.3 Non-assessment of Cess

Section 4 of the Cess Act provides that every employer carrying out the building and other construction work is liable to furnish a return to the Assessing Officer i.e. Labour Officer within 30 days of payment of cess and the Assessing Officer on receipt of the return is required to make an assessment order within a period of six months specifying the amount of cess due, cess paid and the balance amount payable, if any.

In all the four⁸ test-checked Labour Offices, audit noticed that though 219⁹ employers had paid cess aggregating ₹ 50.52 crore during 2009-12, the requisite returns were not furnished within the prescribed period to pass an assessment order within the specified period of six months by the concerned Labour Officers specifying the amount of cess due, cess paid and the balance amount of cess, if any payable.

The concerned Labour Officers stated (July 2012) that despite issuance of notices, returns were not being filed by the employers. The replies of the Labour Officers are not acceptable as in the event of non-filing of returns, they could have initiated action for the assessment of cess on their own under section 5(2) of the Act *ibid*. Thus, inaction to do so resulted in non-levy and collection of exact amount of cess from the defaulting employers.

3.1.6.4 Improper deduction of cess collection charges

The Cess Rules provide that the proceeds of the cess collected shall be transferred by the government officers, Public Sector Undertakings, local authorities or cess collector to the Board alongwith the form of the challan prescribed under the accounting procedures of the State after deducting the actual collection expenses from the cess collected not exceeding one *per cent* of the total amount collected.

It was noticed that the cess collectors deposited ₹ 107.41 crore during 2009-12 with the Board after deducting the collection charges at the flat rate of one *per cent* of the total cess collected instead of ascertaining the actual collection expenses. The Labour Commissioner (July 2012) admitted the facts. Thus, in the absence of any record of actual cost of collection of cess, the authenticity of collection charges deducted by the cess collectors could not be verified in audit.

3.1.6.5 Unrealistic budget estimates and non-submission to State Government and to the Government of India

Section 25 of BOCW Act, 1996 provides that the Board shall prepare during each financial year its budget for the next financial year, showing the estimated receipts and expenditure of the Board and forward the same to the State Government and to the GOI.

⁸ Bilaspur, Chamba, Dharamshala and Kinnaur.

⁹ Except one case highlighted in paragraph 3.1.6.6.

The year-wise position of the estimated receipts, actually realised and expenditure thereagainst during 2009-12 is given in **Table 3.2** below:

Table-3.2

(₹ in crore)

Year	Receipts		Expenditure	
	Estimates	Actual	Estimates	Actual
2009-10	Not prepared	24.27	1.72	0.21
2010-11	28.60	43.12	24.83	0.30
2011-12	60.29	41.63	2.52	0.37

Source: Figures supplied by the Board.

From the above Table, it would be seen that against the estimated receipts of ₹ 28.60 crore and ₹ 60.29 crore during the years 2010-11 and 2011-12, the receipts of the Board were ₹ 43.12 crore and ₹ 41.63 crore respectively. Similarly, against the budget estimates of expenditure of ₹ 1.72 crore, ₹ 24.83 crore and ₹ 2.52 crore for the years 2009-10, 2010-11 and 2011-12 respectively, the Board had incurred an expenditure of ₹ 0.21 crore, ₹ 0.30 crore and ₹ 0.37 crore respectively. Thus, the budget estimates of receipts and expenditure were quite unrealistic. Besides, the budget estimates for the aforesaid period had also not been submitted to the State Government and the GOI as required under the BOCW Act.

While admitting the facts, the Secretary of the Board stated (November 2012) that due to delay in posting of a regular Secretary and Accounts Officer, the accounting procedure and Head of Accounts could be finalised only in January 2011. The Secretary further stated that the budget estimates for 2012-13 have been submitted to the State Government. Thus, fund management by the Board was not ensured in an efficient way and it impacted upon the implementation of welfare schemes as brought out in paragraph 3.1.7.1.

3.1.6.6 Deficiency in collection of cess

As per Cess Rules, 1998, where the duration of the project or construction work exceeds one year, the employer is required to pay cess within 30 days of the completion of one year from the date of commencement of the work and every year thereafter on the cost of construction incurred during the relevant period.

Scrutiny of the records of Labour-cum Cess Assessing and Collecting Officer Dharamshala revealed that M/s SPML Infra Limited (firm) commenced construction work of four projects in May 2005. These projects had not been completed as of July 2012 and cess of ₹ 54.90 lakh was required to be recovered from the firm as of 31 March 2012 as assessed by the above assessing officer. Against this, ₹ 16.99 lakh had

been recovered as of September 2012 and the balance amount of ₹ 37.91 lakh¹⁰ was yet to be recovered.

The Labour Officer, Dharamshala stated (November 2012) that the concerned firm in this regard had filed a petition before the State High Court in August 2012 and obtained stay orders.

3.1.7 Welfare measures

3.1.7.1 Implementation of the welfare schemes by the Board

As per the provisions of the BOCW Act, the Board was required to implement welfare schemes for workers as mentioned under paragraph 3.1.6.1.

Out of the total expenditure of ₹ 88 lakh incurred by the Board during 2009-12, only ₹ 3.51 lakh (4 per cent) was spent during 2011-12 on four¹¹ welfare activities covering 2866 workers.

Evidently, the Board spent negligible amount (₹ 0.04 crore) on welfare activities and huge amounts (₹ 108.14 crore) remained unutilised in bank accounts as brought out in paragraph 3.1.6.1. Thus, the objective of levying cess for regulating the employment and service conditions of the building and other construction workers was not being achieved.

The Secretary of the Board stated (July 2012) that all the beneficiaries who had applied for assistance had been covered under the scheme. The reply is indicative of the fact that there was no proper mechanism for spending the cess proceeds on welfare schemes. Also, the Board had not taken any *suo motu* initiative to formulate the modalities for implementation of the approved welfare schemes during the past three years.

3.1.7.2 Registration of establishments and workers

The BOCW Act 1996 provides that every employer is required to make an application with prescribed fee for the registration of his establishment within a period of sixty days of the commencement of the Act or within sixty days from the date on which Act becomes applicable to the establishment and similarly every construction worker is also required to be registered accordingly. As stated in para 3.1.2, the Labour Officers of the Labour and Employment Department nominated as Registering officers were responsible for registration of establishment and workers.

It was noticed in audit that for the year 2009-10 the data relating to actual number of establishments associated with the construction activities and construction workers employed on works in the State was not available with the Department/ Board.

¹⁰ AWA HEP: ₹ 6.40 lakh; NEOGAL HEP: ₹ 7.08 lakh; IQU HEP: ₹ 12.31 lakh and LUNI HEP: ₹ 12.12 lakh.

¹¹ Medical assistance (₹ 0.02 lakh to four workers), assistance in case of death (₹ 0.25 lakh to two workers), educational assistance (₹ 0.40 lakh to 24 workers) and Insurance Premia (₹ 2.84 lakh of 2836 beneficiaries).

The details of establishments and construction workers registered in the State and in test checked four units are given in **Table 3.3** below:

Table-3.3**(In numbers)**

Labour Offices	2009-10			2010-11			2011-12		
	E	R	W	E	R	W	E	R	W
State level	Not available			368	3680	1276	267	2670	5214
Bilaspur	4	40	0	3	30	31	46	460	674
Chamba	12	120	0	17	170	151	21	210	259
Dharamshala	29	290	0	24	240	23	10	100	627
Kinnaur	7	70	0	39	390	115	7	70	179

Source: Data supplied by Board and Labour Officers.

Note: E denotes establishments, R denotes minimum number of workers required for registration of the establishments and W denotes workers.

From the above Table, it would be seen that there was a mismatch between the figures of establishments and workers registered during the year 2010-11 at State level and during 2009-10 and 2010-11 at the level of test checked Labour Offices as minimum of 10 workers would make an establishment eligible for registration under the BOCW Act. The Labour Commissioner stated (November 2012) that it was not mandatory for the Building and Other Construction Workers to get themselves registered with the Board under Section 12 (1) of the Act as beneficiaries. It was a voluntary decision for them to make an application for registration to the authorised officer along with prescribed documents, fee and subscription. The reply is indicative of the fact that the Labour Commissioner/ Board and the Labour Officers did not take any initiative for proper registration of the workers.

3.1.7.3 Issue of identity cards and renewal of registrations

The necessary data for issue of identity cards and renewal of membership of construction workers during the period 2009-12 was not available at the State level with Labour Commissioner and the Board. However, out of 410 workers registered during 2009-12, the Labour Officer, Chamba (test checked) had not issued identity cards to 195 workers as of July 2012. Registrations had also not been renewed in respect of 249 workers in three test checked Labour Offices (Bilaspur: 18, Chamba: 195 and Kangra: 36). In respect of non-issue of identity cards and renewal of registration, the respective Labour Officers stated (July 2012) that the same could not be issued/ renewed due to migration of labourers.

3.1.7.4 Shortfall in conducting of inspections

For effective monitoring of the provisions of the BOCW Act, the State Government has not fixed any time schedule for conducting inspection of construction work sites by the Chief Inspector and other Inspectors at the State level. However, the Labour Commissioner as Chief Inspector has fixed Labour Officer wise norms ranging between three to five inspections per month for conducting inspection of work sites by Labour Officers and Labour Inspectors under BOCW Act.

It was noticed that the Chief Inspector and other Inspectors at the State level had not conducted any inspections during the period 2009-12. The year-wise position of the number of inspections conducted by the Labour Officers and Labour Inspectors in the State as a whole and in the test checked four units¹² for the years 2009-10 to 2011-12 is given in **Table 3.4** below:

Table-3.4

(In numbers)

Year	Inspections by Labour Officers and Labour Inspectors in State as whole				Inspections by Labour Officers and Labour Inspectors in Test Checked Labour Offices			
	Required	Actually conducted	Shortfall	Percentage (shortfall)	Required	Actually conducted	Shortfall	Percentage (shortfall)
2009-10	1860	170	1690	91	672	38	634	94
2010-11	1860	459	1401	75	672	157	515	77
2011-12	1860	507	1353	73	672	121	551	82
Total	5580	1136	4444		2016	316	1700	

Source: Figures supplied by the Board.

As is seen from the above Table, in the State during 2009-12 there was huge shortfall in conducting inspections ranging between 73 and 91 *per cent*. In the test-checked units shortfall in conducting inspections in the corresponding period ranged between 77 and 94 *per cent*.

In reply, the Labour Commissioner stated (July 2012) that due to multifarious nature of duties of the Labour Officers it is difficult for them to have adequate time for the conduct of inspections under Act/ Law. The reply is not acceptable as he himself fixed the norms for inspections and did not exercise proper check over working of Labour Officers.

3.1.8 Human resource management

3.1.8.1 Sanctioned strength and persons-in-position

- **At State Government level**

The State Government had not sanctioned any separate staff for implementation of BOCW Act. However, the State Government had assigned the implementation of the Act to the following officers of the Labour and Employment Department.

Officers of Labour Department	PIP		Designation in Welfare Board
Labour Commissioner	01	➡	Chief Inspector- cum-Appellate Authority
Joint Labour Commissioner Deputy Labour Commissioner	01 01	➡	Inspectors
Labour Officers posted at zonal Headquarters	12	➡	Registering authority, cess assessment and collector and inspection of works sites
Labour Inspectors	26	➡	Inspection of works sites falling in their jurisdiction

Note: PIP: Persons-in-Position

Audit observed that the sanctioned strength at Government level was not adequate for implementation of the provisions of the Act. While admitting the facts, the Labour

¹² Bilaspur, Chamba, Dharamshala and Kinnaur.

Commissioner stated (July 2012) that the above staff was not able to devote full time attention to implement the BOCW Act and the Cess Act as they had other pressing commitments to discharge.

- **At Board level**

The staff sanctioned for the Board and persons-in-position thereagainst during 2009-12 was as under:

Table-3.5

Sl. No.	Category of staff	Sanctioned strength	Person-in-position
1.	Secretary-cum- Chief Executive Officer	1	1
2.	Accounts Officer/ Section Officer	1	1
3.	Personal Assistant	1	1
4.*	Computer Operator	--	1
5.*	Data Entry Operator	--	13
6.*	Peon/ Chowkidar/ Sweeper	--	5
7.*	Driver	1	1

* Note: Staff at Sl. No. 4 to 7 to be outsourced.

The Secretary of the Board stated (November 2012) that the State Government has sanctioned 72 additional posts on outsource basis and the process of filling up of these posts is under progress.

3.1.9 Monitoring and internal control

3.1.9.1 Internal Audit and Internal Control Systems

Internal Audit and Internal Control Systems are important mechanisms for ensuring smooth working of an organisation. While effective Internal Control Mechanism helps in exercising check on various activities of the organisation, Internal Audit acts as an effective tool in exercising check on expenditure. It also ensures that various systems are functioning properly.

Audit scrutiny revealed that the Board has not introduced any Internal Audit Systems as of July 2012 in order to ensure effective control in exercising checks on various activities of the Board including its finances.

While admitting the fact, the Secretary of the Board stated (November 2012) that the Board has now approved to introduce the system of internal audit and the same will be implemented soon.

3.1.9.2 Non-preparation of Annual report

As per rule 291 of the HPBOCW Rules, the Board was required to prepare a report on its functioning during every financial year and approve it before 15th of June next year and submit to the Government before 31st July of that year.

It was noticed in audit that, as of November 2012, the Board had not prepared the requisite annual reports for the financial year 2011-12. The Secretary of the Board attributed (November 2012) non-preparation of annual report of 2011-12 to non-conducting of audit of the Board.

3.1.10 Conclusion

The State Government started implementation of the BOCW and Cess Acts after a delay of more than 12 years from their enactments. The Himachal Pradesh Building and Other Construction Workers Welfare Board after its constitution in March 2009 did not take any initiatives to formulate the modalities for implementing the welfare schemes as of July 2012. The State Advisory Committee constituted after a delay of more than 14 years of enactment of Act also proved ineffective as neither any advice for proper administration of the Act was rendered by the Committee nor was any meeting held as of July 2012. The crucial aspects of identification of beneficiaries and registration of establishments and implementation of welfare schemes for workers were not given due priority. As a result, huge funds to the extent of ₹ 108 crore remained unutilised with the Board in bank accounts. On the one side no measures were taken to provide benefit to the workers (₹ four lakh was spent) and on the other side huge expenditure to the tune of ₹ 88 lakh was incurred on establishment and other expenditure. The monitoring mechanism was also weak and internal audit system had not been instituted by the Board as of July 2012.

3.1.11 Recommendations

- The Government may consider to ensure effective implementation of the provisions of the Act.
- The Board may take effective steps to keep a proper database with regard to registration of establishments and conduct of proper survey for identification of total number of building and other construction workers in the State.
- The Board may formulate the modalities for implementing the approved welfare schemes on priority basis.
- The State Advisory Committee may also provide its expert inputs for implementation of approved welfare schemes for the benefit of workers.
- Effective monitoring mechanism and internal control systems may be put in place for proper implementation of the Act and follow up of the welfare schemes for the benefit of workers.