

Chapter 1: Introduction

1.1 Overview

Building and other construction workers (BOCW) are among the most vulnerable segments of unorganised labour in India. The nature of their work being temporary, the relationship between the employer and employee is temporary, basic amenities/welfare facilities provided to workers are inadequate and risk to life and limb is inherent. Although the provisions of certain central acts were applicable to the building and other construction workers, Government of India (GoI) enacted (August 1996) the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Act) to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare.

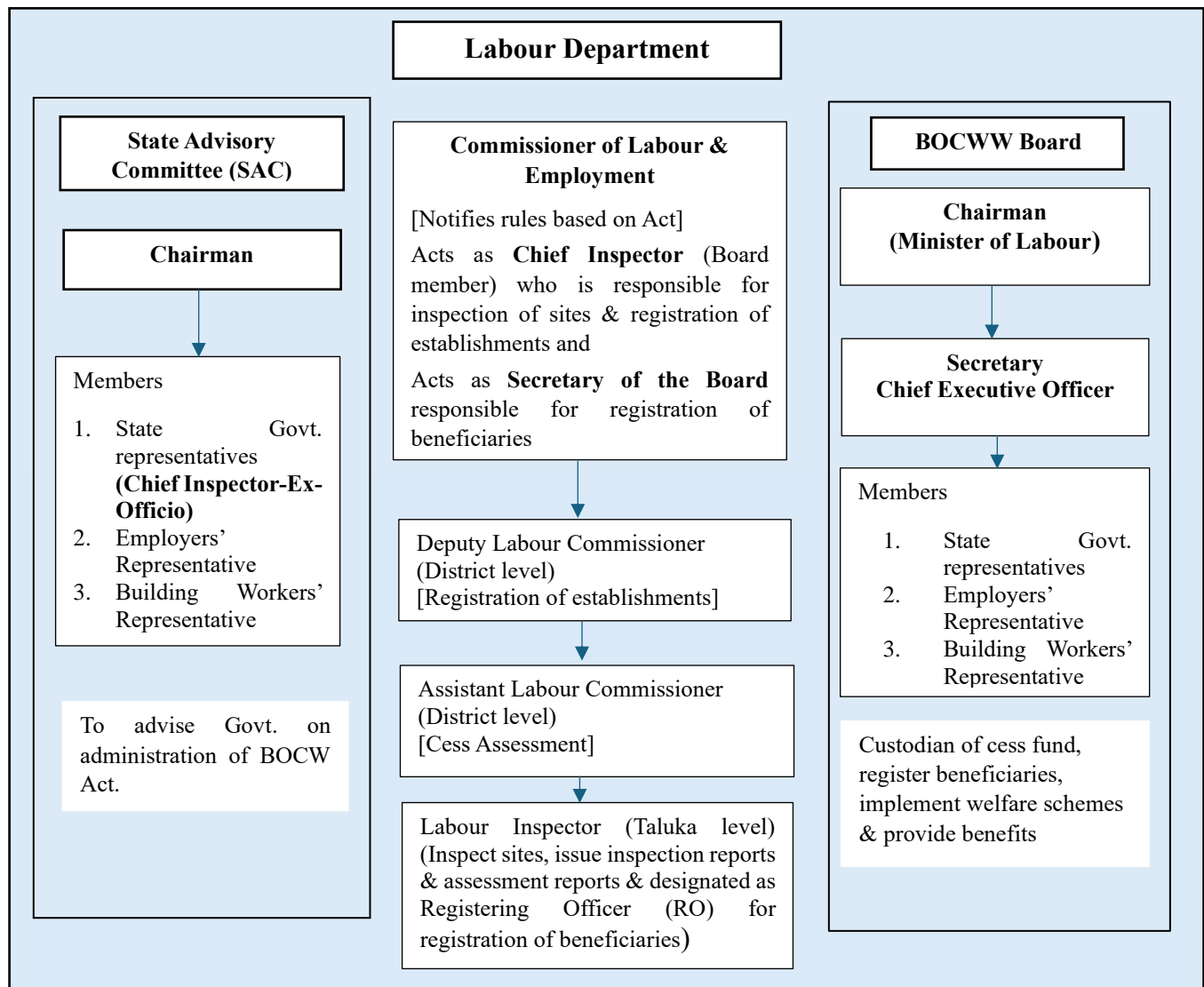
Under the Act, State Governments were to constitute the Building and Other Construction Workers' Welfare Boards (BOCWWB). To augment resources of the Building and Other Construction Workers' Welfare Boards, GoI enacted (August 1996) the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act). Ministry of Labour, GoI notified (September 1996) the levy of cess at the rate of one *per cent* of the total cost of construction. For implementing provisions of the Cess Act, the Building and Other Construction Workers Welfare Cess Rules, 1998 (Cess Rules), was enacted (March 1998) by the GoI.

For implementation of the Act in the State, the Government of Goa (GoG) constituted (December 2004) the Goa Building and Other Construction Workers' Welfare Board (GBOCWWB) and framed (December 2008) the Goa Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 (GBOCW Rules). In keeping with the provisions of the Act and Rules, the Board constituted (April 2011) the Goa Building and Other Construction Workers' Welfare Fund (GBOCWWF) for grant of benefits to building and other construction workers and also for meeting its establishment/operational expenses.

1.2 Organisational set-up

The Board comprises the Chairperson and 16 other members appointed by the State Government and is under administrative control of the Labour Department. While the Hon'ble Minister-in-Charge of the Labour Department is the Chairperson, the Labour Commissioner, Government of Goa (GoG) serves as the Member Secretary of the Board.

Figure 1: Organizational Chart



The Deputy Labour Commissioners (DLCs) in the districts (one in each district) were responsible for employer registration. DLC-South Goa (for South Goa district) and four Assistant Labour Commissioners (ALCs) in the districts (two in each in North and South Goa district) were entrusted with the work of assessment of cess and Labour Inspectors (LIs) posted at talukas were entrusted with the work of beneficiary registration and benefit disbursement under the Board in their respective jurisdiction.

1.3 Audit Objectives

This audit was carried out to examine whether:

- i. the GBOCW Rules, 2008 notified by the State Government under the Act was consistent with spirit of the BOCW Act of 1996;
- ii. there was an effective system for registration of establishments and beneficiaries;
- iii. cess assessment, collection and transfer of collected cess to the Fund was efficient;
- iv. the Government prescribed appropriate health and safety norms and could ensure an environment of compliance to those norms by employers;
- v. the Government implemented transparent and effective system of inspections to check evasion of Labour cess; and
- vi. the administration and utilization of funds on implementation of welfare schemes by the Board was efficient and effective and as per the Act and rules framed by the State Government.

1.4 Audit Criteria

Following are the sources of the criteria against which the audit findings have been benchmarked:

- i. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- ii. Goa Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules;
- iii. Building and Other Construction Workers' Cess Act, 1996 and Cess Rules, 1998;
- iv. General Financial Rules;
- v. Resolutions passed by the Board;
- vi. Inspection Policy notified by State Government; and
- vii. Model Welfare Scheme for Building and Other Construction Workers.

1.5 Scope of Audit and Sampling Methodology

Audit covered the five-year period from 2017-18 to 2021-22. Both districts of the State (North Goa and South Goa districts) were selected for audit. Records of the Goa Building and Other Construction Workers (GBOCW) Board, Labour department, Deputy Labour Commissioner's (DLC) office in North Goa and South Goa district, three¹ Assistant Labour Commissioner's offices (ALC) were test

¹ Ponda, Vasco and Tiswadi

checked. Further, records of three Public Works Department offices and one PSU² (cess deductors) based on the highest amount of work expenditure in the last three years were selected and test checked. The only Municipal Corporation in the State, Corporation of the City of Panaji (CCP) was selected and three³ Municipal Councils and four⁴ Village Panchayats (cess collectors) were selected by simple random sampling method and were also test checked.

Apart from this, the Audit team conducted joint physical inspection of 16⁵ randomly selected construction sites to verify the registration of construction workers and establishments as well as implementation of the provisions of the Act and Rules relating to safety, health and welfare of workers. The Audit team also conducted a beneficiary survey of 200 construction workers.

Entry conference was held in January 2023 with the Labour Commissioner-cum-Member Secretary of the Board to discuss the audit objectives, scope and sampling methodology. The audit findings were discussed in the exit conference held in March 2024 with the Secretary (Labour). The replies of the Department have been suitably incorporated in the report.

1.6 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the officers and staff of the State Government and the Board in conducting the audit.

1.7 Structure of the Report

Chapter 1: Introduction

Chapter 2: Framing and Implementation of Act & Rules

Chapter 3: Registration of Establishments and BOC Workers

Chapter 4: Assessment, Collection and Remittance of Cess

Chapter 5: Welfare, Health and Safety of Workers and Inspection of Establishments

Chapter 6: Management of Welfare Fund and Implementation of Welfare Schemes

² Goa State Infrastructure Development Corporation Limited (GSIDCL)

³ Ponda, Curchorem-Cacora and Quepem

⁴ Calangute, Aldona, Betoda and Sancoale

⁵ Eight unregistered construction sites selected from the selected local bodies based on higher estimated construction cost where licence issued during 2021-22. Eight registered construction sites randomly selected through IDEA from the database of construction sites which were registered during 2021-22.