

Executive Summary

Introduction

Building and other construction workers are among the most vulnerable segments of unorganised labour in India. Their work is temporary, the employer-employee relationship is short-term, basic amenities and welfare facilities are inadequate and there is a significant risk to life and limb. These workers often face poor working conditions, lack of job security and limited access to social security benefits. Despite contributing significantly to the country's infrastructure and development, they frequently receive low wages and lack representation or bargaining power. In this context, the Government of India (GoI) enacted the Building and Other Construction Workers' (BOCW) Act in 1996 for the welfare of building and other construction workers. Accordingly, the Government of Goa (GoG) constituted the Goa Building and Other Construction Workers' Welfare Board (Board) in 2004 to oversee the implementation of the Act and notified the Goa Building and Other Construction Workers (GBOCW) Rules in 2008.

Why this Performance Audit?

The absence of effective regulation and enforcement exacerbates the vulnerability of the workers, making it crucial to implement policies to improve their working conditions and provide access to essential services and protections. This Performance Audit was carried out to evaluate whether the rules notified by the Government aligned with the 1996 Acts and to assess the effectiveness of the systems for registration, cess management and fund utilization, and also to examine the enforcement of health, safety norms, and inspection systems for compliance. It also scrutinized the efficiency of the administration and utilization of funds on effective implementation of welfare schemes by the Board as per the Act and State rules.

Period of audit: 2017-18 to 2021-22

Sample:

Both districts of the State (North Goa and South Goa districts) were selected for audit. Records of the Goa Building and Other Construction Workers' Welfare Board (GBOCWWB), Labour Department, Deputy Labour Commissioner's (DLCs) office in North Goa and South Goa districts, three¹ Assistant Labour Commissioner's offices (ALC) were selected for test check. Further, records of three Public Works Department offices and one PSU (cess

¹ Ponda, Vasco and Tiswadi

deductors) based on the highest amount of work expenditure in the last three years were also selected for test check. The only Municipal Corporation in the State, *i.e.* Corporation of the City of Panaji was selected, along with three² Municipal Councils and four³ Village Panchayats (cess collectors) for test check.

What audit found?

The chapter-wise findings that led to audit conclusions and recommendations are as follows:

Chapter 2: Framing and Implementation of Act & Rules

The Government notified the State BOCW Rules and commencement of cess collection with a substantial delay of about 12 years. Fee structure for registration of establishments employing more than 500 workers was not prescribed in the rule. The State Advisory Committee (SAC) to advise the Government on the implementation of the Act, was also constituted with a delay of 12 years. Substantial shortfall in conducting Board meetings impacted the functioning of the Board.

Recommendations:

- *The State Rules may be amended to include fee structure for registration of establishments with more than 500 workers, in line with Central BOCW Rules, 1998.*
- *The State Government may reconstitute the State Advisory Committee and the Board in a timely manner and ensure their functioning as per the Act/Rules.*

Chapter 3: Registration of Establishments and BOC Workers

Registering authorities had no information about number of construction works going on in their respective areas. There was no co-ordination and data sharing between the construction licence issuing authority and the registering authority. Prescribed returns were not furnished by the registered establishments and intimation for commencement of construction/completion of work was not given as required under the Act. Registration of beneficiaries to avail benefit under the schemes was quite low which can be attributed to the Board's failure to conduct awareness programmes among the workers.

² Ponda, Curchorem-Cacora and Quepem

³ Calangute, Aldona, Betoda and Sancoale

Recommendations:

- *The Department may take immediate measures to increase the enrolment of establishments including a mechanism with Local Bodies and works executing departments to get the data of construction licences issued and work orders executed respectively.*
- *The Board may conduct periodic surveys for identifying unregistered BOC workers and regular drives to improve awareness among workers to increase registration.*

Chapter 4: Assessment, Collection and Remittance of Cess

Assessing officers appointed by the Government in the year 2007 for assessment of cess, had not done any assessment in their respective zones. Commencement of cess collection was notified by State Government *w.e.f.* 01 January 2009, however, Village Panchayats started collecting cess only in 2021-22, resulting in less collection of cess for welfare of workers. Cases of non-remittance, delayed remittance by local bodies and Goa State Infrastructure Development Corporation Limited and unauthorized mode of collection of cess were also observed.

Recommendations:

- *The Government should fix responsibility for non-assessment of cess and ensure commencement of cess assessment at the earliest.*
- *The State Government may issue necessary directions to local bodies and PSUs for ensuring that cess is duly assessed, levied, collected and remitted to the Board within specified time of 30 days as per the Cess Act. The Board may strictly monitor timely collection and remittance of the cess.*

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

Establishments employing more than 50 workers have not formulated Health and safety policy as required under the Goa BOCW Rule, 2008. Despite the availability of full strength of Labour Inspectors (LIs), the number of inspections to check health and safety issues were not carried out adequately. Discrepancies like non-availability of canteen facility for workers, absence of head and safety gears on work site, non-availability of accommodation, *etc.*, were observed during joint site inspection.

Recommendations:

- *The Department may ensure the formulation of health and safety policies by the employers who employed more than 50 workers as required under GBOCW Rules.*
- *The Department may strengthen mechanisms for conducting regular inspection of establishments.*
- *The Department may take appropriate action on employers for non-providing the canteen facility to the workers where 250 or more workers are employed.*

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

The Board did not prepare annual statement of accounts from 2018-19 and annual report on the functioning of the Board was not prepared since inception. No Internal Auditor was appointed. Board incurred financial loss due to parking of funds in savings accounts which indicated ineffective financial management. Non-receipt of benefit was reported by the beneficiaries and lack of awareness about the welfare schemes was observed during beneficiary survey. Key positions of Chief Accounts Officer and Accountant required to manage the fund effectively, remained vacant and the recruitment rules for various posts are yet to be notified by the Government. Social and welfare schemes for the intended beneficiaries were not implemented adequately. Five major welfare schemes⁴ were not implemented by the Board since inception. In other schemes also the number of beneficiaries who availed benefit was quite low. Instances of distribution of identical toolkits among workers were observed. Social audit of the schemes as directed by the Hon'ble Supreme Court was not conducted.

Recommendations:

- *The Government may fix responsibility for non-preparation of accounts, instruct the Board to finalise all pending accounts and submit the same for Audit.*
- *The Board may ensure the appointment of the Internal Auditor in a time bound manner.*
- *A report on the functioning of the Board may be prepared and submitted to the Government annually as per the provisions of the Act.*

⁴ Maternity benefit, Pension benefit, Grant for repair and interest rebate for the construction of new house, Disability pension and medical assistance to beneficiaries.

- *The Government may expedite the notification of recruitment rules and accordingly, the Board may take immediate steps to appoint the required personnel to enable its effective functioning.*
- *The Board may institute a mechanism for carrying out periodic evaluation of scheme implementation and take prompt corrective action as required to improve implementation.*
- *The Board may implement social audit mechanism to enhance transparency and accountability in the implementation of schemes.*