

Press Brief for media

The Report of the Comptroller and Auditor General of India on ‘Welfare of Building and Other Construction Workers’, Government of Kerala, Report No.7 of the year 2024 has been laid on the table of Kerala Legislative Assembly on 25 March 2025. Audit Reports, upon their presentation to the Legislature, are public documents.

The summary of important points highlighted in the Report is given below:

- Details of all establishments which employ building workers were not entered in Labour Commissionerate Automation System (LCAS), a registration portal. Only 10,113 establishments across the State were entered in the LCAS as on March 2023. The Advanced Information Interface System (AIIS) database system for the beneficiaries was also not fully utilised by the Board to keep proper records of the beneficiaries.

(Paragraphs 2.1.1 and 2.1.2)

- Of the total 7,312 buildings constructed in the selected Local Self Government Institutions which were eligible for assessment, the Taluk offices under Revenue Department collected details of 4,294 buildings only. Of these, details of only 679 buildings were seen entered in LCAS. There was delay ranging from one to five years in conducting assessment of cess in 282 cases test-checked.

(Paragraphs 2.2 and 2.3)

- The Labour and Skills Department failed to accrue interest of ₹11.39 crore due to delays in cess payments across 1,319 cases, with delays extending up to four years.

(Paragraph 3.1)

- Among the 2,82,998 buildings assessed for cess collection by the Labour Department in the State for the period 2018-23, payments were realised for only 1,26,446 buildings (44.68 *per cent*). This resulted in a shortfall of cess collection amounting to ₹542.17 crore (53.83 *per cent*).

(Paragraph 3.4)

- In the absence of Kerala Water Authority intimating the Kerala Building and Other Construction Workers' Welfare Board or the Board seeking such information, there was no check to ensure that the entire amount deducted by KWA was credited to the accounts of the Board. In five test-checked PH Divisions of the KWA, cheques/ DDs for cess totalling ₹48.52 lakh were not credited into the Board's bank account.

(Paragraph 3.5)

- Applications for various welfare benefits including pensions, marriage assistance, support for illness, fatal diseases, maternity benefits, death benefits, scholarships and cash awards were pending due to insufficient funds. Irregularities were observed in the disbursement of COVID-19 benefits due to unreliable beneficiary data.

(Paragraphs 4.1 and 4.2)

- Kerala Building and Other Construction Workers' Welfare Board's cash balance steadily declined from ₹910.06 crore in March 2019 to ₹135.16 crore in March 2023. This consistent drop in cash reserves over the five year audit period indicated that annual expenditures had been funded from the Board's cash reserves, leading to significant depletion and necessitating additional loans.

(Paragraph 5.1)

- Out of the ₹10 crore corpus fund allocated for the Migrant Workers' Welfare Fund, only ₹1.69 crore was spent on workers' welfare between 2018-19 and 2022-23.

(Paragraph 5.4)

- In the districts test-checked, Labour Officers did not conduct the prescribed number of monthly inspections as mandated by the Labour Commissioner. The grievance redressal mechanism did not function effectively as envisaged.

(Paragraph 5.11 and 5.13)