

Chapter 7

Monitoring Mechanism and Internal Controls

Monitoring Mechanism and Internal Controls

Formation of the Committees at various levels and regular monitoring through conduct of Inspections was envisaged in the Act to ensure proper compliance of provisions of the Act or the Rules.

7.1 Formation of Committees

Section 4 and 5 of the BOCW Act stipulates formation of State Advisory Committee to advise the State Government on the matters arising out of the administration of the Act and Expert Committee for advising the Government for making Rules under the Act. Accordingly, the Rules were framed in 1999. Government had issued orders (November 2017) for constitution of a Coordination Committee (Committee) at District level for monitoring the registrations and collection of Cess under BOCW Act.

7.1.1 State Advisory Committee

As per Section 4 of the Act, the State Government has to constitute a State Advisory Committee³⁵ (SAC) to advise the State Government on such matters arising out of the administration of the Act. The Honourable Supreme Court had also in its judgement (March 2018) issued general directions for the constitution of an Advisory Committee. The SAC consists of a Chairperson appointed by the State Government, two members of the State Legislature, one member from GoI, Chief Inspector (Commissioner as Ex-Officio), seven to eleven nominees of the State Government representing the Employers, building workers, associations of Architects, Engineers, accident insurance Institutions and any other interests which in the opinion of the State Government, ought to be represented on the State Advisory Committee. The SAC must conduct meetings at least once in every six months.

However, it was observed that after the formation of the Telangana State (June 2014), SAC had not been constituted as of May 2023 i.e., even after a lapse of nine years.

Department replied (January 2023) that proposal had already been submitted (June 2020) to Government and approval of the Government was still awaited.

Thus, the department failed to ensure compliance of the provisions of the Act regarding constitution of SAC in the state.

7.1.2 District Coordination Committees

As per the provisions of the Act, Government had issued orders (September 2009) for constitution of a District Coordination Committee (DCC) at District level with District Collector as Chairman and Deputy Commissioner of Labour (DCL) as Member-Convener

³⁵ called as the 'State Building and Other Construction Workers' Advisory Committee also referred to as State Advisory Committee

along with other members³⁶ and to send the progress report to the Government through Commissioner of Labour every month which shall be received by 10th of every succeeding month in respect of the registrations of establishments and collection of Cess under the BOCW welfare and Cess Act.

Scrutiny of the information revealed the following:

- Out of the five test-checked Districts, DCCs were formed only in three test-checked Districts *viz.*, Karimnagar (January 2018), Khammam (April 2019) and Rangareddy (date not specified) Districts.
- Though the Committee was formed in Rangareddy and Karimnagar Districts, no meetings were conducted. Further, no returns were furnished to the Government by these district.

The Board stated (January 2024) that efforts are being made to form the DCC in remaining districts. It was further stated that though DCCs were not formed, the purpose of Cess collection was achieved.

Reply is not acceptable as in absence of constitution of DCCs in two Districts and submission of reports to the Department, the Department was not able to monitor the registration of Establishments and further assessment and collection of Cess as per provisions of Act.

7.2 Shortfall in Inspections

Rule 251 of BOCWW Rules read with Section 43(1) of BOCW Act stipulated that an Inspector may examine any construction site or place, or premises used or to be used for such building and other construction work to take evidence, photographs, sample weight or measures or record or make sketches for the purpose of examination or enquiry, hold an enquiry into the cause of any accident or dangerous occurrence or non-compliance with any provisions of the Act or the Rules.

Commissioner had issued orders (February 2015) directing all the Inspecting Officers not to take up inspections under any labour laws without his prior permission. Government had issued orders (April 2017) to allot the Inspecting Officers for Risk Assessment based Inspections of the Establishments randomly through online Inspection Module. As per these orders, all the BOCW Establishments were categorized as High Risk establishments. BOCW establishments being High Risk category were required to be inspected once in two years.

³⁶ Collector and District Magistrate (Chairman), Deputy Commissioner of Labour of the District (Member-Convener), Joint Commissioner of Labour of the Zone, Assistant Director Town & Country Planning Department, Deputy Chief Inspector of Factories, General Manager of District Industrial Centre, Assistant Director of Mines and Geology, Municipal Commissioner/District Panchayat Officer, District Treasury Officer/Pay & Accounts Officer, Superintending Engineers/Executive Engineers of works Departments of both State and Central Governments, Chief Executive Officer, Zilla Parishads, PD/DWMA, PD/DRDA, CPO,AD/Marketing, Assistant Labour Commissioners (Central) or his representatives are as members of the Committee

Year-wise details of inspections allotted, conducted and shortfall in inspections in the State during 2017-22 are given in **Table-7.1**.

Table-7.1: Details of Inspections allotted and shortfall in conducting during 2017-22

Year	Inspections Allotted	Inspections Conducted	Shortfall in inspections (Per cent)
2017-18	648	73	575 (89%)
2018-19	682	42	640 (94%)
2019-20	5548	196	5,352 (96%)
2020-21	7208	80	7,128 (99%)
2021-22	444	41	403 (91%)
Total	14530	432	14,098 (97%)

Source: Information furnished by Department of Labour and the Board

Audit however observed that the BOCW Establishments categorised as High Risk were not covered under scrutiny of the Inspecting Officers. Even out of the Inspections which were approved by the Commissioner, shortfall against inspections ranged between 89 *per cent* and 99 *per cent* during 2017-22.

However, 432 (*three per cent*) inspections were conducted by the department against 14,530 allotted inspections, compliance reports were called for in respect of only 15 Establishments which amounts to meagre *three per cent*.

Even after availability of the required manpower of Inspectors³⁷, the Department failed in conducting Inspections of BOCW Establishments categorised as High-risk resulting in non-compliance with the provisions of BOCW Act.

No reply was furnished by the department (April 2024).

7.2.1 Observations on Inspections in test-checked offices

The sanctioned strength of Inspectors in test-checked districts was 48, of which 43 (90 *per cent*) were available for conducting Inspections. Details of the shortfall in Inspections in the test-checked offices are given in **Table-7.2**.

³⁷ Out of sanctioned strength of 159 Inspectors, 141 Inspectors are in position.

Table-7.2: Details of shortfall in Inspections in test-checked offices

Sl. No.	District	Cadre	Inspections allotted	Inspections conducted	Shortfall
1	Hyderabad	DCL	85	39	46
		ACL	143	8	135
		ALO	865	104	761
2	Rangareddy	JCL	0	0	0
		DCL	56	0	56
		ACL	55	7	48
		ALO	689	7	682
3	Khammam	DCL	68	15	53
		ACL	5	1	4
		ALO	350	4	346
4	Karimnagar	DCL	6	4	2
		ACL	5	4	1
		ALO	125	3	122
5	Hanumakonda	DCL	92	7	85
		ACL	18	0	18
		ALO	657	0	657
Total			3219	203	3016

Source: Information furnished by the Department

Scrutiny of above information revealed the following:

- Only 203 inspections were conducted against the allotment of 3,219 inspections which constitutes a meagre six *per cent* only.
- Out of the 203 inspections conducted in test-checked Districts, only 95 Inspection Reports were provided. It was observed from the Inspection Reports, that 43 inspections (45 *per cent*) were done in respect of Establishments where works were already completed in all respects.

Department replied that 100 *per cent* units were not allotted for inspection due to workload and non-availability of the officers. Reply of the Department is not acceptable as only six *per cent* of inspections allotted were conducted despite availability of 90 *per cent* of the sanctioned strength of Inspectors.

7.3 Grievance Redressal and Monitoring

As the Board implements various welfare schemes to the registered Workers, there should be a mechanism to address the grievances of the beneficiaries.

On an enquiry as to whether any Cell/Wing was existing in the Board for addressing the issue of grievances, complaints, and timelines prescribed for settlement of grievances *etc.*, the Board stated (January and March 2023) that the Establishment of Grievance Redressal mechanism was under consideration of the Board and would be established shortly. The Board also stated that the complaints received over phone were being addressed and resolved by the District level authorities.

The absence of a functional Grievance Redressal mechanism had impact on the welfare of workers as it deprives beneficiaries of a vital channel to voice their concerns and seek resolution in the first place.

7.4 Conclusion

After the formation of the Telangana State (June 2014), State Advisory Committee (SAC) has not been constituted as of May 2023 i.e., even after lapse of nine (09) years. Co-ordination Committee at District level (DCC) was to be constituted with Deputy Commissioner of Labour (DCL) as Member-Convener and other Officials for monitoring of registrations and implementation of welfare schemes. Out of the five test-checked Districts, only in three Districts (Karimnagar, Khammam and Rangareddy) were the Committees at District level formed. No Committees were formed in Hyderabad and Hanumakonda Districts. Out of the 14,530 Establishments that were earmarked by the Commissioner for inspections during the period from 2017-22, only 432 (three per cent) inspections of Establishments were conducted. The absence of a functional Grievance Redressal and Monitoring mechanism in the Board deprived beneficiaries of a vital channel to voice their concerns and seek resolution of their grievances.

7.5 Recommendations

- The Government should take action to constitute the State Advisory Committee (SAC) for advising the State Government on matters related to the implementation of the BOCW Act.
- The Government should ensure necessary inspections of Establishments to monitor registration of establishments and collection of Cess amounts and other safety and welfare measures to BOC workers as per norms.
- The Government should take adequate measures to establish a comprehensive Grievance Redressal mechanism to facilitate the smooth delivery of benefits.

