

**GOVERNMENT OF TRIPURA  
LABOUR DIRECTORATE  
OFFICE LANE, AGARTALA**

**NOTIFICATION**

Whereas, the Labour Directorate, Government of Tripura intends to promote the compliance of the labour laws, at the same time, intends to ease the regulatory business environment in the State, by bringing in more transparency and responsibility;

And whereas, the Labour Directorate, Government of Tripura intends to take benefit on the internationally accept norms on social audit and make use of recognized audit firms.

Therefore, the Labour Directorate, Government of Tripura hereby introduces a Third Party Certification/Audit Scheme for Medium Risk Industries/ Establishments in accordance with the norms of Ease of Doing Business as follows:

**Third Party Certification/Audit Scheme**

**A. Third Party Auditor Firms:**

**1. Eligibility of the Firm:**

- i. The Firm should be a registered corporate body in India under appropriate legal frame work, such as Companies Act or LLP Act.
- ii. The Firm should have a valid Trade Licence from appropriate authority.
- iii. The Firm should preferably have experience of undertaking and evaluating establishments for labour regulatory compliance.
- iv. The Firm should have Labour Law Auditor having suitable eligibility on company pay roll.

**2. Eligibility of Labour Law Auditor:**

- i. Labour Law Auditor should have a minimum of 8 years of experience of dealing with compliance of Labour Laws; OR
- ii. Should have a minimum of 8 years of experience as a legal practitioner under Labour Law; OR
- iii. Should have served as Labour Inspector or Labour Officer for a minimum period of 7 years.
- iv. Should not currently be a part-time/full-time employee in any unit/establishment in the State of Tripura or its subsidiaries or branches elsewhere in the country.
- v. Should not be of an age more than 65 years as on 1<sup>st</sup> March, 2025.
- vi. Should be medically fit to carry out inspection procedure.

### **3. Duties & responsibilities:**

- i. To conduct audit under all labour laws which are covered during compliance Inspections by Labour Inspectors when approached by any unit/establishment/employer which comes under medium risk category for third party Audit.
- ii. To conduct the audit in compliance with relevant provisions and international best practices in social audit such as Business Social compliance Initiative (BSCI), Social Accountability 8000 auditor certification and SMETA (Sedex Members Ethical Trade Audit standard developed by Sedex.
- iii. To prepare an Audit report detailing the status of compliance based on checklist provided.
- iv. The Empanelled Third-Party Firm should submit copy of the official receipt, issued by the establishment, of the fees received for the Audit along with the Audit Report in a sealed Envelope/online to the concerned authority the District Labour Office (Chief Labour Officer/ Labour Officer) of the Labour Directorate within 15 days of the last day of audit visit.
- v. The categorization of Medium Risk establishment/employers is as per Notification issued by Labour Directorate vide No.F.27(131)-LAB/LGW/2015/PART-1(Loose)/5657 dated- 22.08.2024

### **4. Security Deposit:**

- i. The empanelled third-party auditor shall submit the refundable Security Deposit for two (2) years in the Labour Directorate, Govt. of Tripura from a scheduled/nationalised bank through DD drawn in favour of the Labour Commissioner, Labour Directorate, Govt. of Tripura, Agartala for an amount of Rs. 50,000/- (Rupees Fifty Thousand) Only
- ii. The full security deposit shall be forfeited if any observation or non-compliances are found grossly false or misleading in the Audit Report.
- iii. The Security deposit shall be refundable on completion of tenure of two (2) years of empanelment of Auditor firm, without any observations by the Departmental inspections or as per the performance evaluation by the Standing Committee formed by the State Government. The same may also be adjusted towards security deposits payable for renewal of empanelment. No interest will be payable on the security deposit.

### **5. Empanelment, Performance evaluation and extension of tenure:**

- i. The empanelment of the Third-Party Auditor Firm shall be done by the Labour Commissioner, Government of Tripura after referring the application for empanelment to the standing committee and obtaining its report and will be valid for the duration of two (2) years from the date of empanelment.

- ii. Any Audit report submitted by the empanelled Third-Party Auditor Firm beyond the empanelment period will not be accepted.
- iii. The subsequent extension of empanelment will be decided by the Labour Commissioner, Government of Tripura on the basis of evaluation by the standing committee depending on the history of performance.
- iv. The Standing Committee will evaluate the performance of the empanelled Third-Party Audit Firms in the last quarter of the second year or whenever there is any compliance issues observed or whenever the Labour Commissioner, has reason to evaluate, to be recorded in writing, due to reasons such as:
  - a. Contradiction or discrepancies observed in report filed by third party auditors;
  - b. Firm charging more than the reasonable fees for audit; and/or
  - c. Firm involved in act bribery; and/or
  - d. Firm not submitting audit report within prescribed time limit without assigning a satisfactory reason; and/or
  - e. Firm revealing any manufacturing or commercial secrets or working processes which may come to their knowledge in course of their duties;
  - f. If found guilty, in case of compliant(s)
- v. For the purpose of performance evaluation, the standing committee constitutes by Labour Commissioner will analyse the reports submitted by the audit firm and submit its report to the Labour Commissioner within 15 working days from the date of submission of request (if any) by the firm for extension of tenure for another term of two years.
- vi. After the review of standing committee's report, if the empanelled Third Party is found to be non-compliant in delivering the services or misrepresenting fact(s) in audit report, the Labour Commissioner, may, on his discretion, cancel the empanelment of third-party audit firm and forfeit the security deposit submitted. Further the individual Auditor involved will be blacklisted.
- vii. This procedure and penalty shall be in addition to other judicial recourse available under the laws of the state/country.
- viii. If the performance evaluation by the standing committee is found to be satisfactory in its report to the Labour Commissioner, the Labour Commissioner will grant extension of tenure for 2 years.
- ix. If the Third-party Auditor firm wishes to discontinue from the empanelment before expiry of the empanelment period the security deposit will be refunded duly imposing a cut of 10% provided that the performance evaluation by the standing Committee is found to be satisfactory.

## **B. Standing Committee**

Standing Committee shall be constituted with the following members, for empanelment of third-party audit firm and subsequent evaluation of their performance.

- i. Labour Commissioner, Govt. of Tripura – (Chairman)
- ii. Additional/Joint/Deputy Labour Commissioner, Govt. of Tripura – (Member Secretary)
- iii. One Labour Officer from Head Office, Labour Directorate- (Member)
- iv. Two Labour Officers from field – (Member)

## **C. Establishments / Employers**

1. Enrolment under Third Party Audit Scheme:
  - i. All the Medium Risk Establishments, as defined in Notification issued by Labour Directorate vide No.F.27(131)-LAB/LGW/2015/PART-1(Loose)/5657 dated-22.08.2024 which do not figure in the noncompliant establishments list shall be eligible for opting for this scheme.
  - ii. The scheme shall cover compliance and audit requirements as applicable for all the Inspections under various Labour Laws through single joint inspection as specified in the Notification No.F.27(131)-LAB/LGW/2015/PART-1(Loose)/5657 dated-22.08.2024 and as amended from time to time.
  - iii. Under the above Scheme, the application for inclusion under the Scheme shall be made online as per Annexure-I addressed to the authorized authority of concerned district.
  - iv. On successful submission of Application, the establishment will be deemed to be enrolled under the scheme. The Third-Party Audit Report shall be submitted within 90 days, failing which the establishment will be unenrolled from the scheme. Further they will be debarred for opting for this scheme for a period of 2 years. The responsibility for submission of Third-party audit report lies on the establishment. A copy of the Audit report shall be displayed prominently on the notice board of the establishment for the information of the employees.
2. Audit report submitted by the Third-party Auditors will be treated as preliminary compliance of inspection procedure. In case of non-compliance with any Labour Law as per the Audit Report, department will issue a notice stating to comply within 15 days' time.
3. The establishment will be required to take corrective action and upload compliance report within 15 days. The Jurisdictional Authorized Officer will scrutinize the compliance report to see if compliance is made. Immediate and follow up action on the violations / irregularities shall be ensured if the employer fails to comply even after providing opportunity as at point 2.

4. It is being emphasized that this the department reserves the right to inspect any establishment whenever there is any compliance issue observed or whenever the Labour Commissioner has reason to be informed in writing, for getting inspection conducted.
5. If any establishment is found to be in non-compliance with Labour Laws during inspection or evaluation of compliance report, such firm will be put in the non-compliance establishments list and will continues to remain so till it is found to be in full compliance after the conduct of next compliance inspection by the Department.
6. If on scrutiny of the audit report, the establishment is found be in-compliance of the labour laws, he will be exempted from compliance inspection by the department for a period of 3 years from the date of enrolment provided it continues to submit the annual return on time.
7. The establishment can opt to continue under the scheme by renewing the enrolment online before the expiry of enrolment period. The period of enrolment will start from the next day after the 3 years period of the previous enrolment and the audit report will be required to be submitted within (90) days of the date of renewal of enrolment.

(By Order and in the name of The Governor of Tripura)

(D. B. Reang, IAS),  
Addl. Secretary  
to the Government of Tripura.

Copy to:

1. P.S. to the Hon'ble Minister, Labour etc Department for kind information of the Hon'ble Minister.
2. P.S. to the Secretary, Labour Department, Govt. of Tripura for kind information of the Secretary.
3. The Director, Industries & Commerce, Govt. of Tripura, Agartala for kind information.
4. The Chief Inspector of Factories & Boilers, Govt. of Tripura, Agartala for kind information.
5. The Manager, Tripura Government Press, Agartala with a request to publish the Notification in the Tripura Gazette, Extraordinary issue and send to Labour Directorate five (5) spare copies for office record.

**ANNEXURE-I**

## OPTION FOR ENROLLING UNDER THIRD PARTY AUDIT SCHEME

1. Name of the Establishment/Unit:
2. Name of the Employer:
3. Applicable Act:
4. Registration number under the applicable Act:
5. Number of workers:
6. Category based on Risk Assessment:
7. Details of previous inspection:

I hereby undertake to state that I am the employer of \_\_\_\_\_

and wish to opt for third party audit scheme for my establishment.

(D. B. Reang, IAS),  
Addl. Secretary  
to the Government of Tripura.