

### Third Party Audit Scheme

Serial Number	Notification Number and link	Investor's comment	Response
Comment 1:	2364 dated:28-05-2016 <a href="http://labour.uk.gov.in/files/m28_(1).pdf">http://labour.uk.gov.in/files/m28_(1).pdf</a>	Proposal seems good. It will be helpful for the industry. Please elaborate in the notification if low risk companies can also get their audit and submit report.	Industries are divided into Risk Categories. Based on the categorisation, Low Risk Industries can opt for Self Certification whereas Medium and High Risk Industries can avail Third Party Audit. Details of Categorisation are listed in Notification 175(A)/VII/16-31(Labour) 2015 dated: 02-march-2016, <a href="http://labour.uk.gov.in/files/Office_order_Risk_categorisation_(2).pdf">http://labour.uk.gov.in/files/Office_order_Risk_categorisation_(2).pdf</a>
Comment 2:		What if the audit companies enforce extra regulation and wish to extract money in name of officers.	<ul style="list-style-type: none"> <li>• In order to curb monopoly and monitor their performance inclusive of unfair charges, a Standing Committee is formed which is going to evaluate Third Party Auditors throughout their Tenure.</li> <li>• Third Party Auditors also need to submit receipt of Fee charged along with Audit report to Department of Labour, Uttarakhand.</li> <li>• Investors can also file a complaint in Department, details and action on which will again be displayed on website.</li> </ul>
Comment 3:	Voluntary Compliance Scheme ,Amendment, dated: 02-March-2016, Order No. 175/VIII/16-31(Labour) 2015 <a href="http://labour.uk.gov.in/files/Amendment.pdf">http://labour.uk.gov.in/files/Amendment.pdf</a>	Are you also promoting this voluntary compliance facility for 40 workers wherein exemption is provided from maintaining multiple registers and file single return	Department of Labour has already introduced filing of Single return even for the units which are not opting for Voluntary Compliance Scheme. The details of single return and inspection are provided in Voluntary Compliance Scheme ,Amendment, dated: 02-March-2016, Order No. 175/VIII/16-31(Labour) 2015 <a href="http://labour.uk.gov.in/files/Ammendment.pdf">http://labour.uk.gov.in/files/Ammendment.pdf</a>
Comment 4:	Third Party Audit Scheme , Eligibility, Duties and	With reference to the Notification for	Department of Labour, Uttarakhand has introduced a Policy for Audit of High Risk and Medium Risk Industries for the first time in India.

	<p>responsibilities, Evaluation and Penalties.</p> <p><a href="http://labour.uk.gov.in/files/Third Party Audit Scheme (5).pdf">http://labour.uk.gov.in/files/Third Party Audit Scheme (5).pdf</a></p>	<p>Third Party Labour, will the fees of third parties be capped? Also, what are the penalty provisions if the report of third party is found to be wrong?</p>	<p>Keeping the above in view, Maximum FEE (FEE cap) is not yet mandated.</p> <p>The Idea is to bring the FEE cap from next tenure of empanelment, however, in order to curb unfair charges, FEE structure is already taken while submission of documents from Auditors and the same is going to be evaluated at the time of submission of Audit receipt.</p> <p>In case discrepancies are found in the report submitted by Third Party Auditors, Security amount deposited by the Auditor will be confiscated.</p> <p>The firm will be further viable to penal action as listed under Clause (e) of Third Party Audit Scheme.</p> <p><a href="http://labour.uk.gov.in/files/Third Party Audit Scheme (5).pdf">http://labour.uk.gov.in/files/Third Party Audit Scheme (5).pdf</a></p>
<p>Comment 5:</p>		<p>It is not clear, how auditors will seek redressal against a decision against them</p>	<p>Auditors can directly file a complaint against the decision of Standing Committee to the Office of Labour Commissioner.</p>