



महालेखापरीक्षकको कार्यालय  
**Office of the Auditor General**  
बबरमहल/अनामनगर, काठमाडौं, नेपाल  
**Babarmahal / Anamnagar, Kathmandu, Nepal**  
(Finance and Financial Sector Audit Department)

Ref no: 41

13<sup>th</sup> November, 2025

To  
**The Chairperson,**  
Auditing Standard Board  
Satdobato, Lalitpur

Sub: **Independent Auditors' Report**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of “**Auditing Standards Board**” (hereafter referred to as “**AuSB**”) which comprises the Statement of Financial Position as at 32 Ashad 2082, Statement of Income and Expenditure, Statement of Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Reserves and Funds and Notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the **AuSB** as at 32 Ashad 2082 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

**Basis for Opinion**

We conducted our audit in accordance with Nepal Government Accounting Standards (NGASs) that are substantially in compliance with INTOSAI Framework of Professional pronouncements. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the AuSB in accordance with the ethical requirement that are relevant to our audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no key audit matters to be reported in our audit report.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

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**Phone: 01-5919161, 5919163, Post Box: 13328**  
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“जनहितका लागि जवाफदेहिता, पारदर्शिता र निष्ठा प्रवर्धनमा विश्वसनीय लेखापरीक्षण संस्था”

misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management Letter**

Management letter highlighting the areas of improvement for the internal control system and other aspects in the AuSB is enclosed along with this report.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards (NFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing AuSB's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate AuSB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing AuSB's financial reporting process.

### **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NGASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NGASs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AuSB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the AuSB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the AuSB to cease to continue as a going concern.

*B.B. Adhikari*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*B. B. Adhikari*  
.....  
**(Baikuntha Bahadur Adhikari)**  
**Deputy Auditor General**

## Independent Auditors' Report

To  
**The Auditor General,**  
Office of the Auditor General  
Anamnagar, Kathmandu

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of “**Auditing Standards Board**” (hereafter referred to as “**AuSB**”) which comprises the Statement of Financial Position as at 32 Ashad 2082, Statement of Income and Expenditure, Statement of Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Reserves and Funds and Notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the **AuSB** as at 32 Ashad 2082 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

#### Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the AuSB in accordance with the ICAN Code of Ethics for Professional Accountants, together with the ethical requirement that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no key audit matters to be reported in our audit report.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards (NFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing AuSB's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate AuSB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing AuSB's financial reporting process.

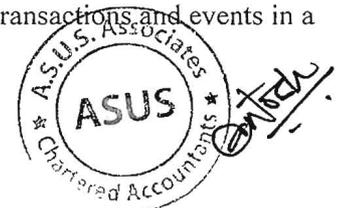
## **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

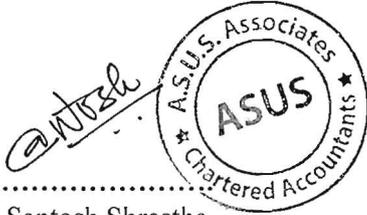
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AuSB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the AuSB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the AuSB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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FCA Santosh Shrestha  
Partner  
A.S.U.S. Associates  
Chartered Accountants

Lalitpur, Nepal  
6<sup>th</sup> November 2025

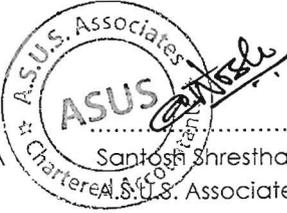
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**AUDITING STANDARDS BOARD**  
**Satdobafo, Lalitpur, Nepal**  
**STATEMENT OF FINANCIAL POSITION AS AT 32nd ASHADH 2082**

Particulars	Notes	32nd Ashadh 2082	Amount in NRs. 31st Ashadh 2081
<b>Assets</b>			
<b>Non Current Assets</b>			
Properties, Plant and Equipment	4.1	609,830	531,515
Intangible Assets	4.1.A	194,484	262,284
<b>Total Non Current Assets</b>		<b>804,314</b>	<b>793,799</b>
<b>Current Assets</b>			
Inventories	4.2	853,252	249,361
Advance and Other Receivables	4.3	319,432	1,035,108
Short Term Investments	4.4	5,000,000	4,500,000
Cash and Cash Equivalents	4.5	614,833	605,754
<b>Total Current Assets</b>		<b>6,787,518</b>	<b>6,390,223</b>
<b>Total Assets</b>		<b>7,591,832</b>	<b>7,184,022</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
General Funds	4.6	7,547,232	7,137,702
<b>Total Funds</b>		<b>7,547,232</b>	<b>7,137,702</b>
<b>Current Liabilities</b>			
Trade and Other Payables	4.7	44,600	46,320
<b>Total Current Liabilities</b>		<b>44,600</b>	<b>46,320</b>
<b>Total Funds and Liabilities</b>		<b>7,591,832</b>	<b>7,184,022</b>

The notes form an integral part of the Financial Statements

As per our attached report of even date.

  
 A.S.U.S. Associates  
 Chartered Accountants

.....  
 Jagannath Upadhyay Niraula, FCA  
 Chairman

.....  
 Dilaram Giri  
 Member

.....  
 Chhetra Gopal Pradhan, FCA  
 Member

.....  
 Tara Prasad Pandey  
 Member

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 Shesh Mani Dahal, FCA  
 Member

.....  
 Nabin Devkota, CA  
 Chief Executive Officer

.....  
 B. B. Adhikari  
 Baikuntha Bahadur Adhikari  
 Deputy Auditor General  
 Office of Auditor General

.....  
 Rabindra Rajbhandari, FCA  
 Member

.....  
 Ganesh Raj Rai, RA  
 Member

.....  
 Manoj Bhattarai  
 Administrative Officer

Date: 31st Ashoj 2082  
 Place : Lalitpur, Nepal

**AUDITING STANDARDS BOARD**  
Sardobato, Lalitpur, Nepal  
**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 32nd ASHADH 2082**

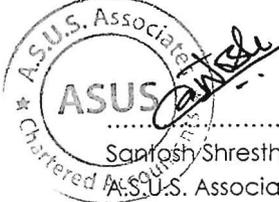
Particulars	Notes	Amount in NRs.	
		FY 2081-82	FY 2080-81
<b>INCOME</b>			
Government Grants	4.8	7,500,000	5,000,000
Training Incomes	4.9	1,217,650	774,100
Other Incomes	4.10	1,377,175	1,761,735
<b>Total Income</b>		<b>10,094,825</b>	<b>7,535,835</b>
<b>EXPENDITURE</b>			
Employees Benefit Expenses	4.11	3,059,568	3,144,378
Administrative Expenses	4.12	668,139	494,329
Training Expenses	4.13	2,543,559	1,811,760
Other Operating Expenses	4.14	3,214,719	3,699,844
Depreciation and Amortization Expenses	4.15	199,311	182,180
<b>Total Expenditure</b>		<b>9,685,295</b>	<b>9,332,491</b>
<b>Net Surplus/(Deficit) for the year</b>		<b>409,530</b>	<b>(1,796,656)</b>

The notes form an integral part of the Financial Statements

As per our attached report of even date.



.....  
Jagannath Upadhyay Niraula, FCA  
Chairman

  
.....  
Santosh Shrestha, FCA  
A.S.U.S. Associates  
Chartered Accountants



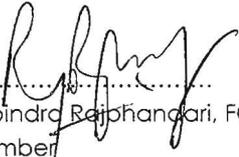
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Baikuntha Bahadur Adhikari  
Deputy Auditor General  
Office of Auditor General



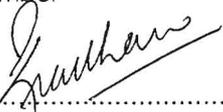
.....  
Dilaram Giri  
Member



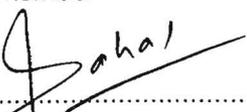
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Tara Prasad Pandey  
Member



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Rabindra Rajphangari, FCA  
Member



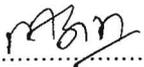
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Chhetra Gopal Pradhan, FCA  
Member



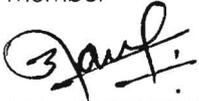
.....  
Shesh Mani Dahal, FCA  
Member



.....  
Ganesh Raj Rai, RA  
Member



.....  
Nabin Devkota, CA  
Chief Executive Officer



.....  
Manoj Bhattarai  
Administrative Officer

Date: 31st Ashoj 2082  
Place : Lalitpur, Nepal

AUDITING STANDARDS BOARD  
Sardobato, Lalitpur, Nepal

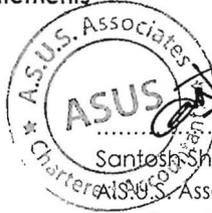
STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 32nd ASHADH 2082

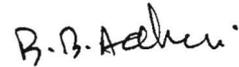
Particulars	Amount in NRs.	
	FY 2081-82	FY 2080-81
<b>Surplus/(Deficit) for the year as per Statement of Income and Expenditure</b>	409,530	(1,796,656)
<b>Other Comprehensive Income</b>	-	-
a) Items that will not be reclassified to income and expenditure	-	-
Gain/(Losses) from investment in equity instruments measured at fair value	-	-
Gain/(Losses) on revaluation	-	-
Actuarial Gain/(Losses) on defined benefit plans	-	-
Income tax relating to above items	-	-
<b>Net other comprehensive income that will not be reclassified to income and expenditure</b>	-	-
b) Items that are or may be reclassified to income and expenditure	-	-
Gain/(Losses) on cash flow hedge	-	-
Exchange Gain/(Losses) (arising from translating financial assets of foreign operation)	-	-
Income tax relating to above items	-	-
Reclassify to income and expenditure	-	-
<b>Net other comprehensive income that are or may be reclassified to income and expenditure</b>	-	-
<b>Other Comprehensive Income for the Year, Net of Income Tax</b>	409,530	(1,796,656)
<b>Total Comprehensive Income for the Period</b>	409,530	(1,796,656)

The notes form an integral part of the Financial Statements

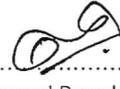
As per our attached report of even date.

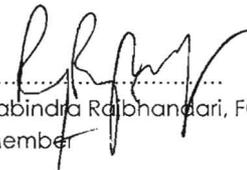
  
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Jagannath Upadhyay Niraula, FCA  
Chairman

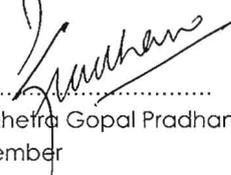
  
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ASUS Associates  
Chartered Accountants

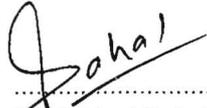
  
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Deputy Auditor General  
Office of Auditor General

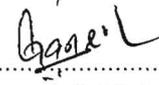
  
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Dilaran Giri  
Member

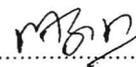
  
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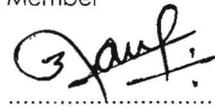
  
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Chief Executive Officer

  
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Manoj Bhattarai  
Administrative Officer

Date: 31st Ashoj 2082  
Place : Lalitpur, Nepal

**AUDITING STANDARDS BOARD**  
**Satdobafo, Lalitpur, Nepal**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 32nd ASHADH 2082**

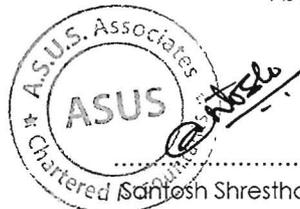
Particulars	FY 2081-82	FY 2080-81
<b>A Cash Flow From Operating Activities</b>		
Net Surplus Before Tax & Extraordinary Items	409,530	(1,827,562)
<i>Adjustments for:</i>		
Depreciation and Amortization	199,311	213,086
Interest Income	(195,648)	(370,231)
<b>Operating Surplus Before Working Capital Changes</b>	<b>413,193</b>	<b>(1,984,707)</b>
Increase/(Decrease) in Current Liabilities	(1,720)	(795,845)
Decrease/(Increase) in Current Assets	111,782	(926,696)
<b>Cash Generation From Operation</b>	<b>523,255</b>	<b>(3,707,248)</b>
Tax Paid	-	-
<b>Cash Flow From Operating Activities (A)</b>	<b>523,255</b>	<b>(3,707,248)</b>
<b>B. Cash Flow From Investing Activities</b>		
Sale/(Purchase) of Properties, Plant & Equipment	(209,824)	(142,750)
Decrease/(Increase) in Investments	(500,000)	2,000,000
Interest Income	195,648	370,231
<b>Cash Flow From Investing Activities (B)</b>	<b>(514,177)</b>	<b>2,227,481</b>
<b>C Cash Flow From Financing Activities</b>		
Capital Fund Received	-	-
Financial Charges Paid	-	-
<b>Cash Flow from Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>9,079</b>	<b>(1,479,767)</b>
<b>Cash &amp; Cash Equivalents at Beginning of the Period</b>	<b>605,754</b>	<b>2,085,521</b>
<b>Cash &amp; Cash Equivalents at End of the Period</b>	<b>614,833</b>	<b>605,754</b>

The notes form an integral part of the Financial Statements

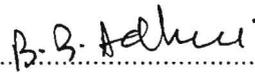
As per our attached report of even date.



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 Jagannath Upadhyay Niraula, FCA  
 Chairman



.....  
 Santosh Shrestha, FCA  
 A.S.U.S. Associates  
 Chartered Accountants



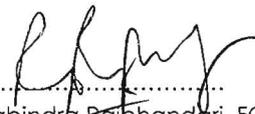
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 Baikuntha Bahadur Adhikari  
 Deputy Auditor General  
 Office of Auditor General



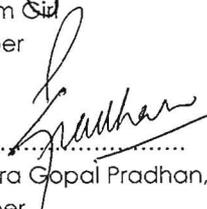
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 Dilaram Gurung  
 Member



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 Tara Prasad Pandey  
 Member



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 Rabindra Rajphandari, FCA  
 Member



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 Chhetra Gopal Pradhan, FCA  
 Member

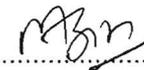


.....  
 Shresh Mani Dahal, FCA  
 Member

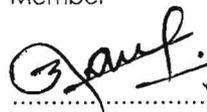


.....  
 Ganesh Raj Rai, RA  
 Member

Date: 31st Ashoj 2082  
 Place : Lalitpur, Nepal



.....  
 Nabin Devkota, CA  
 Chief Executive Officer



.....  
 Manoj Bhattarai  
 Administrative Officer

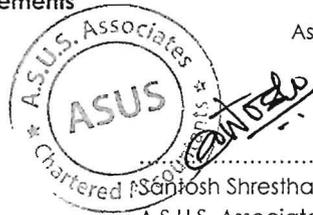
**AUDITING STANDARDS BOARD**  
Saidobañ, Lalitpur, Nepal  
**STATEMENT OF CHANGES IN RESERVES AND FUNDS FOR THE YEAR ENDED 32nd ASHADH 2082**

Amount in NR:

Particulars	General Fund/Reserve	Revaluation Reserve	Total
<b>Balance at 1st Shrawan 2080</b>	<b>8,934,358</b>	-	<b>8,934,358</b>
Adjustment/Restatement	-	-	-
<b>Adjustment/Restated Balance as at 1st Shrawan 2080</b>	<b>8,934,358</b>	-	<b>8,934,358</b>
<b>Adjustments</b>	-	-	-
<b>Comprehensive Income for the Year</b>	-	-	-
Surplus for the year	(1,796,656)	-	(1,796,656)
<b>Other Comprehensive Income, Net of Tax</b>	-	-	-
Surplus/(Deficit) from investment in equity instruments measured at fair value	-	-	-
Surplus/(Deficit) on revaluation	-	-	-
Actuarial Surplus/(Deficit) on defined benefit plans	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>(1,796,656)</b>	-	<b>(1,796,656)</b>
<b>Balance at 31st Ashadh 2081</b>	<b>7,137,702</b>	-	<b>7,137,702</b>
<b>Balance at 1st Shrawan 2081</b>	<b>7,137,702</b>	-	<b>7,137,702</b>
<b>Adjustments</b>	-	-	-
<b>Comprehensive Income for the Year</b>	-	-	-
Surplus for the year	409,530	-	409,530
<b>Other Comprehensive Income, Net of Tax</b>	-	-	-
Surplus/(Deficit) from investment in equity instruments measured at fair value	-	-	-
Surplus/(Deficit) on revaluation	-	-	-
Actuarial Surplus/(Deficit) on defined benefit plans	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>409,530</b>	-	<b>409,530</b>
<b>Balance at 32nd Ashadh 2082</b>	<b>7,547,232</b>	-	<b>7,547,232</b>

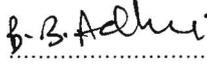
The notes form an integral part of the Financial Statements

As per our attached report of even date.



  
.....  
Jagannath Upadhyay Niraula, FCA  
Chairman

  
.....  
Santosh Shrestha, FCA  
A.S.U.S. Associates  
Chartered Accountants

  
.....  
Baikuntha Bahadur Adhikari  
Deputy Auditor General  
Office of Auditor General

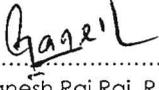
  
.....  
Dilaram Giri  
Member

  
.....  
Tara Prasad Pandey  
Member

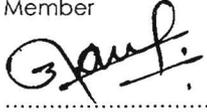
  
.....  
Rabindra Rajphandari, FCA  
Member

  
.....  
Chhetra Gopal Pradhan, FCA  
Member

  
.....  
Shesh Mani Dahal, FCA  
Member

  
.....  
Ganesh Raj Rai, RA  
Member

  
.....  
Nabin Devkota, CA  
Chief Executive Officer

  
.....  
Manoj Bhattarai  
Administrative Officer

Date: 31st Ashoj 2082  
Place : Lalitpur, Nepal

# AUDITING STANDARDS BOARD

Satdobato, Lalitpur

For the year ended 32nd Ashadh 2082 (16th July 2025)

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

#### 1.1 Legal and Domicile Form

Auditing Standards Board (AuSB) has been constituted by the Government of Nepal on 26 Falgun 2059 corresponding to 10th March 2003 under Nepal Chartered Accountants Act, 1997 (first amendment 2002). The AuSB consists of 7 members comprising a Chairman appointed by the Government of Nepal from Fellow Chartered Accountants and other members are representative of Ministry of Finance (MoF), representative of Office of the Auditor General (OAG), Three Chartered Accountants and One Registered Auditor nominated by the Government of Nepal on the recommendation of Institute of Chartered Accountants of Nepal (ICAN).

The rights and duties of Auditing Standards Board as stipulated in the chapter 3b, clause 15e of the Nepal Chartered Accountants Act 1997 (Including First Ammendment, 2002) include:

- To develop Standards on Auditing, on the basis of relevant International Standards on Auditing, in order to govern and regulate accounting and auditing profession,
- To evolve appropriate process of development of Standards on Auditing and publish material related to Standards on Auditing,
- To redraft, improvise and revise Standards on Auditing,
- To interpret the Standards on Auditing,
- To undertake other related tasks related to Standards on Auditing.

The Financial Statements for the year ended on 32nd Ashadh 2082 (16th July 2025) were approved by the board in its 283rd board meeting held on 31st Ashwin 2082.

### 2. Basis of Preparation

#### 2.1 Statement of Compliance

The Statement of Financial Position, Statement of Income and Expenditure, Statement of Cash Flows, Statement of Changes in Reserves and Funds together with the Significant Accounting Policies and Notes to the Financial Statements (all together referred to as "Financial Statements") have been prepared in accordance with Nepal Financial Reporting Standards (NFRSs) as issued by the Institute of Chartered Accountants of Nepal (ICAN). These conform, in material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). The financial statements have been prepared on a going concern basis.

This section describes the critical accounting judgement that the AuSB has identified as having potentially material impact on the AuSB's financial statements and sets out our significant accounting policies that relate to the financial statements as a whole. Accounting policies along with explanatory notes, wherever such explanation is required, is described in specific relevant sections. The AuSB's accounting policies require the management to exercise judgement in making accounting estimates.

#### 2.2 Basis of Measurement

The Financial Statements have been prepared using the historical cost convention or at Fair value wherever specifically disclosed.

#### 2.3 Going Concern

The financial statements are prepared on the assumption that the AuSB is a going concern.

*[Handwritten signatures of board members]*

*[Circular stamp: A.S.U.S. Associates Chartered Accountants]*

*[Circular stamp: AUDITING STANDARDS BOARD]*

## 2.4 Functional and Presentation Reporting Currency

The Financial Statements are prepared in Nepalese Rupees (NRs.), which is also the functional currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest Rupees.

### 2.5.1 Statement of Financial Position

The figures for previous years are rearranged and regrouped wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary. The AuSB presents assets and liabilities in statement of financial position based on current/non-current classification.

- Expected to be realized or intended to be sold or consumed in normal operating
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**The AuSB classifies an liabilities as current when it is:**

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The AuSB's operating cycle has been defined as twelve-month period.

### 2.5.2 Statement of Income and Expenditure and Other Comprehensive Income

The statement of Income and Expenditure has been prepared using classification "by function" method.

### 2.5.3 Statement of Cash Flows

The statement of cash flows has been prepared using indirect method. Cash flows from operating activities, in addition to the adjustments from surplus for non-cash and non-operating activities, movements in working capital, interest and taxes, separately include cash flows relating to employee bonus and retirement benefits.

### 2.5.4 Statement of Changes in Reserves and Funds

Statement of Changes in Reserves and Funds has been presented by disclosing each part of equity.

## 2.6 Significant Accounting Policies

NFRS requires adoption of accounting policies that are most appropriate to the AuSB's circumstances determining and applying accounting policies. Directors and management are required to make judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the AuSB's reported financial position, results or cash flows.

The principal accounting policies adopted in the preparation of the Financial Statements are set below:

*Handwritten signatures:* Pradhan, Debn, Sohal, Basnet, Rabin, Gaur.

*Stamps:* A.S.U.S. Associates Chartered Accountants (ASUS), Auditing Standards Board (AuSB) Nepal.

## 2.6.1 Properties, Plant and Equipment

### Recognition and Measurement:

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an asset controlled by the AuSB is recognized as PPE if and only if it is probable that the future economic benefits associated with the item will flow to the entity, and the cost of the asset can be measured reliably.

The AuSB identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the AuSB and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to income and expenditure during the reporting period in which they are incurred.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

### Impairment

At the end of each reporting period, the AuSB reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

### Depreciation

Depreciation on items of Property, Plant and Equipment is calculated on the written down method based on the useful life of the assets estimated by the management. Depreciation on additions to Property, Plant and Equipment is provided on pro-rata basis in the year of purchase, when the asset is ready to use. The residual values, useful lives and the depreciation methods of assets are reviewed at least at each financial year end and, if expectations differ from previous estimates are accounted for as a change in accounting estimates in accordance with NAS 8. If an item of Property, Plant and Equipment consist of several components with different useful lives, those components that are significant are depreciated over their individual useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

*Signature 1*  
*Signature 2*  
*Signature 3*  
*Signature 4*  
*Signature 5*  
*Signature 6*  
*Signature 7*  
*Signature 8*



### Useful Life and Residual Value of Property, Plant and Equipment

Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life are dependent upon an assessment of both the technical life of the assets and also their estimated economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Particulars	Depreciation Rate
Furniture and Fixtures	25%
Computer and Accessories	25%
Office Equipments	25%
Office Partitions	25%
Vehicles	20%
Other Assets	15%

### De-recognition

An item of Property, Plant, and Equipment is de-recognized upon disposal or when no future economic benefits are expected from the use of that asset. The gain or loss arising from the disposal of an item of Property, Plant, and Equipment is the difference between the net disposal proceeds, if any, and the carrying amount of that item, and it is recognized in the statement of income and expenditure.

### 2.6.2 Intangible Assets

#### Recognition and Measurement:

Intangible assets are recognized on the basis of costs incurred to acquire and bring to use the specific intangible assets such as, software, website, where it is probable that such asset will generate future economic benefits in excess of its cost.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Website development costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.

#### Amortization

Website development cost of the Board is amortised over an estimated useful life of 5 years on straight line basis.

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

#### De-recognition

Intangible asset is de-recognized upon disposal or when no future economic benefits are expected from the use of that asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of income and expenditure when the asset is de-recognized.

*[Handwritten signatures: Degin, Sahal, Gaur, Anshu, and others]*

*[Circular stamp: A.S.U.S. Associates, ASUS, Chartered Accountants]*

*[Circular stamp: AUDITING STANDARDS BOARD, AUCB/India]*

**2.6.3 Inventories**

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the variable selling expenses. The cost of obsolescence and other anticipated losses are also considered for determining the net realizable values. The cost is determined on First-In-First-Out (FIFO) method and includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**2.6.4 Advance and Other Receivables**

Advance and other receivables are initially stated at their carrying value which is approximate to their fair value less possible allowance for impairment.

**2.6.5 Short Term Investments**

Short Term Investments encompasses fixed deposit held in bank accounts that are subject to withdrawal restrictions. Such deposits offer a predetermined interest rate for a fixed period, providing stable and predictable returns while minimizing liquidity risk compared to demand deposits. Due to the absence of initial transaction costs, the amortized cost of fixed deposit closely approximate their transaction price.

**2.6.6 Cash and Cash equivalents**

Cash and cash equivalents comprise cash balances, current deposit, saving account balance and other short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the AuSB's cash management.

**2.6.7 Trade and Other Payables**

Trade and other payables are stated at their amortized cost. All trade payable that are required to be settled within one year from the date of reporting period is classified as current liabilities including all employees related liabilities reasonably estimated at reporting date, if any.

**2.6.8 Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Board and the revenue and associated costs incurred or to be incurred can be reliably measured. Basis for recognition of revenue for individual items of revenue are as below:

**2.6.8.1 Conditional Grants**

Conditional grant received from MoF, IRD & ICAN are accounted for as income in the year of received or assurance of being received. Since all the conditions attached to the grant have been duly fulfilled by the Board, so the full amount has been recognized as income during the year.

**2.6.9 Employees Benefit Expenses**

Employee benefit expenses represent the total costs incurred by the AuSB in relation to employee compensation and benefits, including both short-term and long-term employee liabilities. As the Board operates on a not-for-profit basis, provision or payment of bonus has not been made.






## 2.6.10 Income Tax

### 2.6.10.1 Current Tax

AuSB has obtained tax exemption certificate from Inland Revenue Department for the FY 2081-82. Hence no provision has been made in the financial statements. AuSB, however, is required to comply with submission of Income tax returns and withholding tax on payment of salary, consultancy fee, and other service fees. That are withheld and deposited as per the provisions of Income Tax Act.

Interest income is recorded after withholding tax and accounted for as income net of with withholding tax.

### 2.6.10.2 Deferred Tax

Deferred Tax is provided on the difference between the value of assets and liabilities as per the Statement of Financial Position and as listed for the purpose of Income Tax as at the date of the Statement of Financial Position adjusting for any differences that will not reverse in the foreseeable future.

The carrying amount of such deferred taxes will be reviewed at each date of the Statement of Financial Position and will be increased by virtue of any new assets being included or be reduced by the extend that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

AuSB has got tax exempted status for the FY 2081-82 and since they expect to maintain this status for future years also, no provision for tax has been made.

## 2.7 Accounting Estimates, Assumption and Judgements

The preparation of financial statements in line with applicable NFRS requires management to make judgments, estimates and assumptions such that could potentially have a material impact on application of accounting policies and the reported amounts of assets, liabilities, income and expenditure.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods. The estimates are reviewed periodically by the management. The estimates are revised accordingly and such changes are accounted prospectively.

Specific accounting estimates have been included in the relevant section of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

## 2.8 Reporting Period

The AuSB follows Nepalese financial year based on Nepali calendar starting from 1st Shrawan and ending on last day of Ashadh.

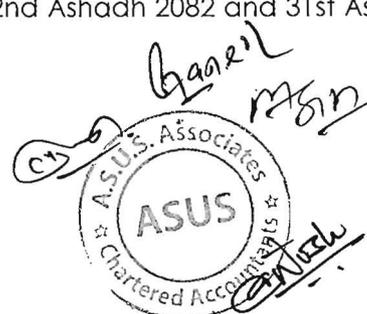
Particulars	As per Nepali Calendar	As per English Calendar
Current Reporting Period	1st Shrawan 2081 to 32nd Ashadh 2082	16th July 2024 to 16th July 2025
Comparative Reporting Period	1st Shrawan 2080 to 31st Ashadh 2081	17th July 2023 to 15th July 2024

These financial statements consist two statements of financial position as at 32nd Ashadh 2082 & 31st Ashadh 2081 as required by NFRS. The AuSB has also presented two statements of income and expenditure, two statements of changes in reserves and funds and two statements of cash flows for the year ended as of 32nd Ashadh 2082 and 31st Ashadh 2081 along with the necessary and related notes.







  
Ganesh  
ASUS  
Chartered Accountants

  
Gaurav  
ASUS  
Chartered Accountants

### 2.9 Comparative Information

Accounting policies are consistently applied across all periods reported. The presentation and classification of financial figures relating to previous period are regrouped or reclassified where relevant to facilitate consistent presentation and better comparability.

### 2.10 Prior Period Adjustments

Prior period adjustments are omissions or misstatements in an AuSB's financial statements. Such omissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statement of the period as if new method or estimate had always been used for all the affected prior year's financial statements. Sometimes such changes may not be practicable. In such cases it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

### 3 Related Party Transactions

A related party transaction is a transfer of resources, services, or obligations between related parties regardless of whether a price is charged.

AuSB has paid meeting allowances to the board chairman, board members and Chief Executive Officer for the board and committees meetings during fiscal year 2081-82.

*[Handwritten signatures and stamps]*

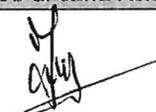
The image contains several handwritten signatures and two circular stamps. The signatures are: a crossed-out signature, a signature that appears to be 'Raj', 'Sahal', 'Bansal', 'Raj', and 'S. Paul'. There is also a signature that looks like 'S. Paul' written vertically. The stamps are: a blue circular stamp for 'AUDITING STANDARDS BOARD' with 'AUSBI/Regd' in the center, and a black circular stamp for 'A.S.U.S. Associates Chartered Accountants' with 'ASUS' in the center.

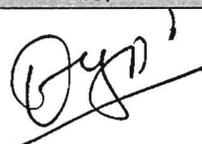
4. Notes to Financial Statements and Disclosures

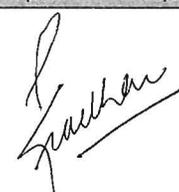
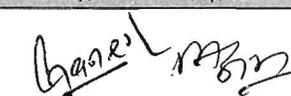
4.1 Properties, Plant and Equipment

Particulars	Furnitures	Computers & Peripherals	Office Equipments	Office Partitions	Vehicles	Other Assets	Total
<b>Cost or Deemed Cost</b>							
<b>Balance at 31st Ashadh 2080</b>	462,321	274,342	420,813	1,016,298	333,111	145,076	2,651,961
Additions							
Acquisition	-	122,250	-	-	-	20,500	142,750
Capitalization	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Balance at 31st Ashadh 2081</b>	462,321	396,592	420,813	1,016,298	333,111	165,576	2,794,711
Additions							
Acquisition	209,824	-	-	-	-	-	209,824
Capitalization	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Balance at 32nd Ashadh 2082</b>	672,145	396,592	420,813	1,016,298	333,111	165,576	3,004,535
<b>Accumulated Depreciation and Impairment Losses</b>							
<b>Balance at 31st Ashadh 2080</b>	392,580	176,240	413,780	911,527	155,159	78,966	2,128,252
Depreciation Charges for the year	17,435	43,488	1,758	26,193	35,590	10,478	134,942
Impairment Losses for the Year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Balance at 31st Ashadh 2081</b>	410,016	219,728	415,539	937,719	190,749	89,444	2,263,194
Depreciation charge for the year	26,439	44,216	1,319	19,645	28,472	11,420	131,511
Impairment Losses for the Year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Balance at 32nd Ashadh 2082</b>	436,455	263,944	416,858	957,364	219,221	100,864	2,394,705
<b>Net Book Value</b>							
<b>Balance at 31st Ashadh 2080</b>	69,741	98,102	7,033	104,771	177,952	66,110	523,709
<b>Balance at 31st Ashadh 2081</b>	52,305	176,865	5,274	78,579	142,362	76,132	531,515
<b>Balance at 32nd Ashadh 2082</b>	235,691	132,649	3,955	58,934	113,890	64,712	609,830








**4.1.A Intangible Assets**

Schedule Related to Intangible Asset is presented hereunder :

Particulars	Intangible Assets	Developed	Other	Total
<b>Cost or Deemed Cost</b>				
<b>Balance at 31st Ashadh 2080</b>	<b>339,000</b>	-	-	<b>339,000</b>
Additions				
Acquisition	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31st Ashadh 2081</b>	<b>339,000</b>	-	-	<b>339,000</b>
Additions				
Acquisition	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 32nd Ashadh 2082</b>	<b>339,000</b>	-	-	<b>339,000</b>
<b>Accumulated Amortization and Impairment</b>				
<b>Balance at 31st Ashadh 2080</b>	<b>8,916</b>	-	-	<b>8,916</b>
Amortization Charges for the Year	67,800	-	-	67,800
Impairment Losses for the Year	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31st Ashadh 2081</b>	<b>76,716</b>	-	-	<b>76,716</b>
Amortization Charges for the Year	67,800	-	-	67,800
Impairment Losses for the Year	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 32nd Ashadh 2082</b>	<b>144,516</b>	-	-	<b>144,516</b>
<b>Net Book Value</b>				
<b>Balance at 31st Ashadh 2080</b>	<b>330,084</b>	-	-	<b>330,084</b>
<b>Balance at 31st Ashadh 2081</b>	<b>262,284</b>	-	-	<b>262,284</b>
<b>Balance at 32nd Ashadh 2082</b>	<b>194,484</b>	-	-	<b>194,484</b>












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#### 4.2 Inventories

SN	Particulars	32nd Ashadh 2082	31st Ashadh 2081
1	Inventories	853,252	249,361
	<b>Total (NRs.)</b>	<b>853,252</b>	<b>249,361</b>

Management considers all inventories to be good in condition. During the period AuSB has decided to write off 188 units of NSA 2018 Volume I, 224 units of NSA 2018 Volume II and 36 units of Marganirdeshan 2078 Edition. As the AuSB has already published NSA 2024 and new editions of Marganirdeshan, NSA 2018 and Marganirdeshan 2078 edition becomes unsaleable.

#### 4.3 Advance and Other Receivables

SN	Particulars	32nd Ashadh 2082	31st Ashadh 2081
1	Prepaid Expenses	15,229	23,462
2	Receivable from ICAN	300,000	1,000,000
3	FD Interest Receivable	-	9,676
4	Advance with NTC	1,581	1,671
5	Advance with Staffs	2,622	300
	<b>Total (NRs.)</b>	<b>319,432</b>	<b>1,035,108</b>

#### 4.4 Short Term Investments

SN	Particulars	32nd Ashadh 2082	31st Ashadh 2081
1	Fixed Deposit	5,000,000	4,500,000
	<b>Total (NRs.)</b>	<b>5,000,000</b>	<b>4,500,000</b>

AuSB has Fixed Deposit amount of NRs 5,000,000 in Everest Bank Limited as on 32nd Ashadh, 2082. All the Fixed Deposits will be matured within 365 days.

#### 4.5 Cash and Cash Equivalentis

SN	Particulars	32nd Ashadh 2082	31st Ashadh 2081
1	Cash at Bank (Everest Bank Limited)	614,833	605,754
2	Cash in Hand	-	-
	<b>Total (NRs.)</b>	<b>614,833</b>	<b>605,754</b>

#### 4.6 General Funds

SN	Particulars	32nd Ashadh 2082	31st Ashadh 2081
1	Balance from Previous Year	7,137,702	8,934,358
2	Surplus During the Year	409,530	(1,796,656)
	<b>Total (NRs.)</b>	<b>7,547,232</b>	<b>7,137,702</b>

#### 4.7 Trade and Other Payables

SN	Particulars	32nd Ashadh 2082	31st Ashadh 2081
1	Withholding Taxes	-	20
2	Audit Fees Payable	44,600	44,600
3	Non Trade Payables and Accrued Expenses	-	1,700
	<b>Total (NRs.)</b>	<b>44,600</b>	<b>46,320</b>

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**AUDITING STANDARDS BOARD**

Saidobato, Lalitpur

For the year ended 32nd Ashadh 2082 (16th July 2025)

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS**

**4.8 Government Grants**

SN	Particulars	FY 2081-82	FY 2080-81
1	Government Grants	7,500,000	5,000,000
	<b>Total (NRs.)</b>	<b>7,500,000</b>	<b>5,000,000</b>

A regular grant of NPR 7,500,000 was received during the year. This grant, allocated for the overall operations of the AuSB, is categorized as a conditional grant. Since all the conditions attached to the grant have been duly fulfilled by the AuSB, the full amount has been recognized as income during the year.

**4.9 Training Incomes**

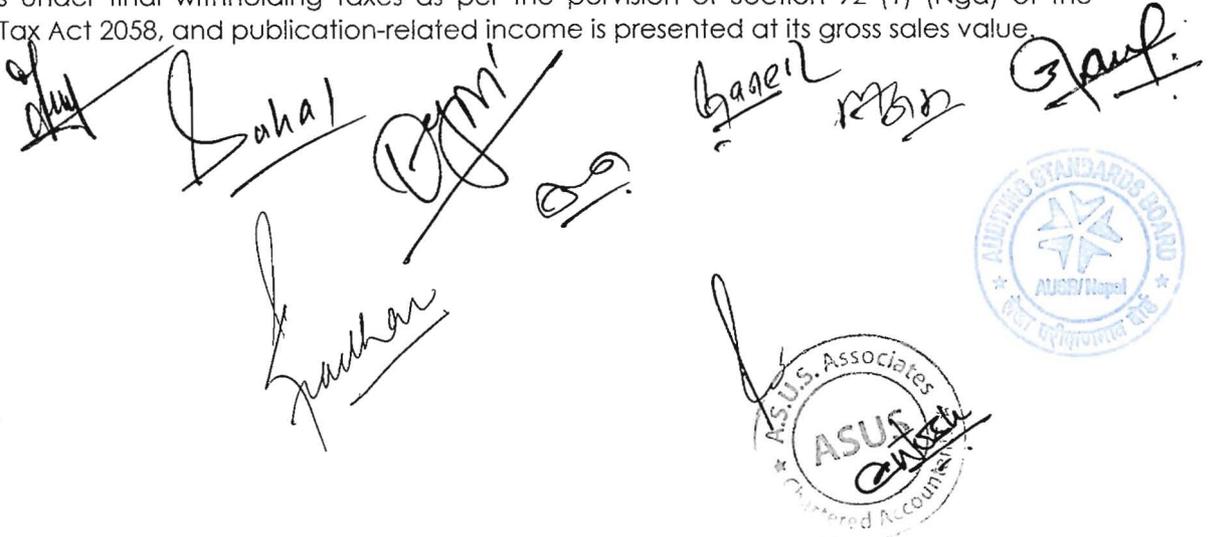
SN	Particulars	FY 2081-82	FY 2080-81
1	Training Income Kathmandu	-	49,900
2	Training Income Itahari	-	58,900
3	Training Income Mahendranagar	-	37,500
4	Training Income Nepalgunj	-	27,800
5	Training Income Bhaktapur	123,600	-
6	Training Income Butwal	94,450	-
7	Training Income Dhangadhi	54,350	-
8	Training Income Hetauda	57,600	-
9	Training Income Janakpur	71,650	-
10	Training Income Pokhara	66,000	-
11	Income Form IRD	750,000	600,000
	<b>Total (NRs.)</b>	<b>1,217,650</b>	<b>774,100</b>

During the year AuSB has received NRs. 750,000 from Inland Revenue Department as a grant to conduct Training Programs. Other income represents amount collected as participation fees (including CPE) during different training programs.

**4.10 Other Incomes**

SN	Particulars	FY 2081-82	FY 2080-81
1	Bank Interest	195,648	370,231
2	Capacity Development Support From ICAN	300,000	1,000,000
3	Publication Related Income	881,528	391,504
	<b>Total (NRs.)</b>	<b>1,377,175</b>	<b>1,761,735</b>

Capacity Development Support from ICAN was provided to cover expenses related to the development, revision, and other standard-related activities. The AuSB submitted a claim to ICAN, along with detailed expenses, before the end of the financial year. Given the reasonable assurance regarding the realization of the funds, income has been recognized on an accrual basis. Bank interest is reported net of the withholding tax deducted by the bank as it falls under final withholding taxes as per the provision of Section 92 (1) (Nga) of the Income Tax Act 2058, and publication-related income is presented at its gross sales value.





#### 4.11 Employees Benefit Expenses

SN	Particulars	FY 2081-82	FY 2080-81
1	Salary Expenses	2,232,480	2,301,960
2	Medical Allowance	186,040	191,828
3	Leave Encashment	260,456	268,560
4	Cloth Allowance	25,000	25,000
5	Festival Allowance	186,040	186,040
6	Meeting Conveyance	56,200	66,800
7	Incentive	83,352	104,190
8	Encouragement Allowance	30,000	-
<b>Total (NRs.)</b>		<b>3,059,568</b>	<b>3,144,378</b>

Currently, AuSB secretariat has total strength of three staff members: the CEO, Administrative Officer, and Office Helper. Office Helper is under cost-sharing basis with the Accounting Standards Board, which is located in the same premises. All the staff members are employed on a contractual basis. Further, all employee benefits are short-term in nature.

As per the contractual agreements between AuSB and its employees, they are facilitated with the leaves and allowances in accordance with the Labor Act, 2074. However, in absence of clarity regarding AuSB's authority to establish its own Employee Bylaws under The Nepal Chartered Accountants Act 2053, additional benefits like Provident Fund, Gratuity, and Insurance could not be provided. But, as per the Board's decision all the employees have now been enrolled in the Social Security Fund since Shrawan 2082.

#### 4.12 Administrative Expenses

SN	Particulars	FY 2081-82	FY 2080-81
1	Advertisement Expenses	43,392	-
2	Audit Expenses	-	960
3	Audit Fee	45,200	45,200
4	Ceremonial Expenses	37,207	9,100
5	Communication Expenses	19,940	19,947
6	Computer Related Expenses	49,410	32,285
7	Finance Charges	1,249	733
8	Fuel Expenses	71,160	81,492
9	Gardening Expenses	41,460	38,055
10	Health and Sanitation	19,227	24,025
11	Hospitality Expenses	91,390	95,414
12	Kitchen Expenses	21,633	12,914
13	Low Value Capital Item	20,000	7,947
14	Newspaper, Magazine and Journal Expenses	2,179	6,000
15	Printing and Stationery	62,415	47,955
16	Professional Service Expenses	5,650	5,650
17	Renewal Expenses	3,300	4,238
18	Repair and Maintenance	87,464	47,085
19	Transportation Allowance	6,000	4,000
20	Vehicle Insurance	4,394	1,288
21	Water and Electricity	10,750	6,510
22	Website Maintenance Expenses	24,719	3,531
<b>Total (NRs.)</b>		<b>668,139</b>	<b>494,329</b>



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#### 4.13 Training Expenses

SN	Particulars	FY 2081-82	FY 2080-81
1	Training Expenses Itahari	-	478,497
2	Training Expenses Nepalgunj	-	429,979
3	Training Expenses Mahendranagar	-	460,198
4	Training Expenses Kathmandu	-	443,086
5	Training Expenses Bhaktapur	519,042	-
6	Training Expenses Butwal	437,325	-
7	Training Expenses Dhangadhi	338,415	-
8	Training Expenses Hetauda	437,761	-
9	Training Expenses Janakpur	395,812	-
10	Training Expenses Pokhara	415,204	-
<b>Total (NRs.)</b>		<b>2,543,559</b>	<b>1,811,760</b>

During the year, a total of six training programs were conducted. The programs in Bhaktapur, Hetauda, and Pokhara were organized independently by AuSB, while the programs in Dhangadhi, Butwal, and Janakpur were conducted in coordination with the Inland Revenue Department (IRD).

#### 4.14 Other Operating Expenses

SN	Particulars	FY 2081-82	FY 2080-81
1	Board Meeting Allowances	444,800	382,800
2	Board Meeting Expenses	255,386	75,597
3	Committee Meeting Expenses	137,428	120,507
4	Committee Meeting Allowances	346,800	435,600
5	International Seminar and Meeting Expenses	892,304	1,827,914
6	Publication Related Expenses	708,993	152,269
7	Standard Development Expenses	227,500	705,156
8	Stock Written off	201,508	-
<b>Total (NRs.)</b>		<b>3,214,719</b>	<b>3,699,844</b>

Publication-related expenses include the cost of books sold as well as books given as complimentary copies. During the period, the AuSB has written off the stock of 188 units of NSA 2018 Volume I, 224 units of NSA 2018 Volume II, and 36 units of Marganirdeshan 2078 Edition as per the decision of 282nd Board Meeting. Since the AuSB has already published the NSA 2024 edition and a new edition of Marganirdeshan, the NSA 2018 and Marganirdeshan 2078 editions have become unsaleable.

#### 4.15 Depreciation and Amortization Expenses

SN	Particulars	FY 2081-82	FY 2080-81
1	Depreciation on PPE	131,511	128,064
2	Amortization Expenses	67,800	54,116
<b>Total (NRs.)</b>		<b>199,311</b>	<b>182,180</b>

#### 4.16 Related Party Transaction

A. AuSB pays a meeting allowance of Rs. 4,000 per member for Board Meetings and Rs. 2,000 per member for Committee and Subcommittee Meetings. During the period, AuSB has paid the following amounts as meeting allowances to the current as well as past chairman and board members, no other benefits were paid to them.



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SN	Name	Designation	Amount
1	Jagannath Upadhyay Niraula	Chairman	56,000.00
2	Dilaram Giri	Board Member	52,000.00
3	Tara Prasad Pandey	Board Member	94,000.00
4	Rabindra Rajbhandari	Board Member	50,000.00
5	Chhetra Gopal Pradhan	Board Member	44,000.00
6	Shesh Mani Dahal	Board Member	54,000.00
7	Ganesh Raj Rai	Board Member	50,000.00
8	Anup Kumar Shrestha	Past Chairman	62,000.00
9	Gyanendra Raj Ojha	Past Board Member	26,000.00
10	Jitendra Kumar Mishra	Past Board Member	42,000.00
11	Bhoj Raj Pandey	Past Board Member	56,000.00
12	Bahadur Singh Bista	Past Board Member	46,000.00
<b>TOTAL</b>			<b>632,000.00</b>

B. Number of meetings conducted and the allowances paid thereon during the period are as under:

Board/Committee	Number of Meetings	Amount (NRs.)
Board	15	444,800
Policy, Program and Budget Preparation Committee	2	18,000
Advisory Committee	3	33,200
Audit Committee	4	34,400
International Relation, Strategic Planning, Training & Capacity Development Committee	5	47,200
Employees Management and Recruitment Committee	1	14,000
Nepal Auditing Standards, Assurance Standards Review, Amendment and Development Technical Committee	15	200,000
<b>Total</b>	<b>45</b>	<b>791,600</b>

C. Details of facilities provided by AuSB to its Key Management Personnel is as follows:

Name	Nature of Transaction	Amount (NRs.)
Mr. Nabin Devkota, CA (Chief Executive Officer)	Remuneration	2,027,000
	Meeting Allowances	120,000
	Program Allowances	77,500
<b>Total</b>		<b>2,224,500</b>

Handwritten signatures and stamps are present below the table. The signatures include names like 'Sahal', 'Dipak', 'Ganesh', 'Raj', 'Gaur', 'Pruthi', and 'Raj'. There are two circular stamps: one for 'A.S.U.S. Associates Chartered Accountants' and another for 'AUDITING STANDARDS BOARD'.

