



THREE YEAR STRATEGIC PLAN

For the Year 2024/25 to 2027/28
(2081/82 to 2084/85 B.S.)



AuSB/Nepal

लेखापरीक्षणमान बोर्ड
**AUDITING
STANDARDS BOARD**

Formed by the Government of Nepal Under the Nepal Chartered Accountants Act, 1997

MARCH 2025

TABLE OF CONTENTS

Executive Summary	1
Chair’s Foreword	2
Eighth Term Board Members of the Auditing Standards Board	3
Strategic Committee of the Board	3
List of Abbreviations	4
Introduction of the Auditing Standards Board	5
Statistics of Practicing Members till FY 2023/24	6
Currently Applicable Auditing Standards in Nepal	6
SECTION – I: OUR STRATEGY FOR 2024/25 TO 2027/28	7
Our Goal	7
Our Keys to Success	7
Our Strategic Drivers	8
Our Strategic Objectives	9
Risk Assessment and Mitigation Strategies	9
Stakeholder Engagement and Communication Plan	10
SECTION – II: WORK PLAN FOR 2024/25 TO 2027/28	11
Projects Underway at the Start of 2025	11
Planned New Initiatives for 2024/25 To 2027/28	12
Monitoring and Implementation	20

EXECUTIVE SUMMARY



The Auditing Standards Board (AuSB) of Nepal presents this Three Year Strategic Plan (2024/25 to 2027/28), outlining its commitment to enhancing audit quality, strengthen stakeholder engagement, and adapt to the evolving audit landscape. This plan builds upon past achievements and focuses on key strategic objectives aimed at improving auditing standards, supporting practitioners, and ensuring regulatory compliance.

Over the next three years, we will focus on:

1. Establish Auditing, Quality Assurance and Sustainability Standards

Continuously revising and developing of auditing, quality assurance, sustainability assurance standards, including the internal audit standards.

2. Capacity Building and Implementation Support

Providing guidance, training, and resources to auditors, regulatory bodies, and government entities.

3. Stakeholder Engagement and Regulatory Collaboration

Enhancing coordination with ICAN, regulatory bodies, and international standard-setting institutions.

4. Leveraging Technology and Innovation

Improving accessibility of auditing standards and support materials through digital platforms.

5. Enhancing Governance and Board Functioning

Strengthening internal operations and securing necessary resources for effective standard-setting.

By implementing this strategic plan, the AuSB aims to uphold the highest level of auditing standards, foster public trust, and contribute to Nepal's economic and financial integrity.

CHAIR'S FOREWORD

As we present the first Strategic Plan of the Auditing Standards Board (AuSB) for its Eighth Term (2024/25 to 2027/28), I am pleased to reflect on the significant achievements of the previous term, which have laid a strong foundation for our future endeavors. The key achievements of the previous term include revision of due process for development of new or revised auditing standards, revision of NSA 2018 to NSA 2024, development of NSA for LCE, revision of Audit Reference Material, initiation of Nepali translation of the NSA for LCE etc.

As we look ahead, the Strategic Plan for 2024/25 to 2027/28 outlines our vision to build on these achievements and address emerging challenges in the auditing profession. This comprehensive plan will guide AuSB's activities and operations for the next three years. Our focus will remain on innovation, collaboration, and capacity-building, ensuring that the AuSB continues to play a pivotal role in advancing auditing excellence in Nepal.

The plan is developed around following five key strategic objectives:

- Assessing needs, developing, and evaluating the auditing and assurance standards,
- Providing consistent support for better performance for ensuring quality in professional engagements to the practitioners, and technical assistance to government entities and regulators for monitoring and review in changed environment,
- Continuing Interactions with regulators and stakeholders,
- Creating more agile, innovative ways of working, and
- Strengthening the Board's governance and operational efficiency.



Our objective is to establish auditing and assurance standards that enable consistent performance and delivery of quality engagements and evolve in a timely manner to meet changing demands of public interest. To achieve this, we will continue to dedicate substantial time and resources to standard-setting projects along with the projects related to preparing support materials for the standards in the audit and review space. We also intend to extend our focus on the issues of sustainability, technology, internal audits and other related areas.

Finally, I extend my heartfelt gratitude to all members of the Board and stakeholders for their unwavering support and dedication. Together, we will continue to uphold the highest standards of integrity and professionalism, driving positive changes in the auditing landscape for national prosperity.

Sincerely,



CA Jagannath Upadhyay Niraula

Chairman
Auditing Standards Board

EIGHTH TERM BOARD MEMBERS OF THE AUDITING STANDARDS BOARD



CA Jagannath Upadhyay Niraula
Chairman
Nominated by the Government of Nepal



Mr. Dilaram Giri
Member
Representative, Ministry of Finance (MOF)



Mr. Tara Prasad Pandey
Member
Representative, Office of the Auditor General (OAG)



CA Rabindra Rajbhandari
Member
Appointed by the Government of Nepal on the recommendation of ICAN



CA Chhetra Gopal Pradhan
Member
Appointed by the Government of Nepal on the recommendation of ICAN



CA Shesh Mani Dahal
Member
Appointed by the Government of Nepal on the recommendation of ICAN



RA Ganesh Raj Rai
Member
Appointed by the Government of Nepal on the recommendation of ICAN

STRATEGIC COMMITTEE OF THE BOARD

Coordinator	CA Jagannath Upadhyay Niraula
Members	CA Chhetra Gopal Pradhan
	CA Shesh Mani Dahal
	RA Ganesh Raj Rai
Secretary	CA Nabin Devkota

LIST OF ABBREVIATIONS

AI	Artificial Intelligence
AuSB	Auditing Standards Board
CA	Chartered Accountants
FAQ	Frequently Asked Questions
GoN	Government of Nepal
H1	First Half of the Respective Year
H2	Second Half of the Respective Year
IAASB	International Auditing and Assurance Standards Board
ICAN	Institute of Chartered Accountants of Nepal
IFAC	International Federation of Accountants
IRD	Inland Revenue Department
ISA	International Standards on Auditing
ISSA	International Standard on Sustainability Assurance
MOF	Ministry of Finance
NRB	Nepal Rastra Bank
NSA	Nepal Standards on Auditing
NSA for LCE	Nepal Standards on Auditing for Audits of Financial Statements of Less Complex Entities
NSQM	Nepal Standard on Quality Management
NSRS	Nepal Standards on Related Services
OAG	Office of the Auditor General
OCR	Office of the Company Registrar
PIR	Post Implementation Review
RA	Registered Auditor
SEBON	Security Exchange Board of Nepal
SO	Strategic Objective

INTRODUCTION OF THE AUDITING STANDARDS BOARD

The Auditing Standards Board (AuSB), Nepal, has been constituted by the Government of Nepal on 26th Falgun 2059 (10th March 2003) under the Nepal Chartered Accountants Act, 1997 (first amendment 2002). The AuSB consists of 7 members: a Chairman appointed by the Government of Nepal from Fellow Chartered Accountants, and Other members include one representative from the Ministry of Finance (MoF) and one representative from the Office of the Auditor General (OAG), three Chartered Accountants, and one Registered Auditor nominated by the Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN). The board has full discretion in developing and pursuing the technical agenda for setting auditing standards.

The primary function of AuSB is to review existing auditing practices in Nepal and to develop Nepal Standards on Auditing (NSAs) so that these standards are issued and regulated by the ICAN. Pursuant to section 3(kha) of Nepal Chartered Accountants Act, 1997, the rights and duties of Auditing Standards Board are as follows :

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

While formulating NSA(s), the AuSB considers the applicable laws, customs, usages, and current as well as prospective business environment of Nepal. The NSAs are issued under the authority of the Nepal Chartered Accountants Act, 1997 (first amendment 2002). Additionally, the AuSB;

- ♦ issues checklists, guidance notes, clarifications on the issues arising from the NSAs wherever necessary.
- ♦ reviews and revises the NSAs at periodical intervals or as per the need of the respective standards in Nepalese context.
- ♦ determines the broad areas in which the NSAs need to be formulated and the priority about the selection thereof.

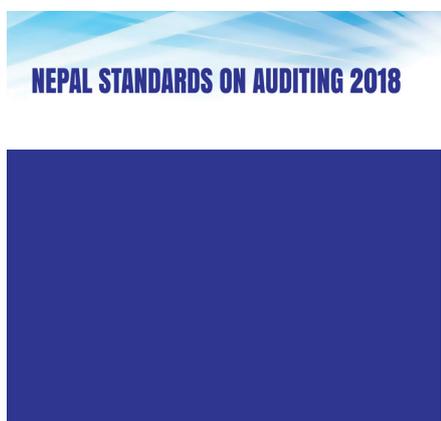
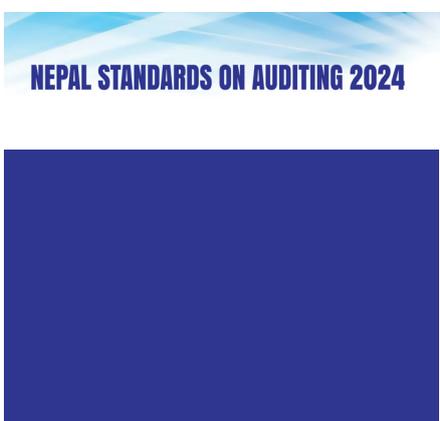
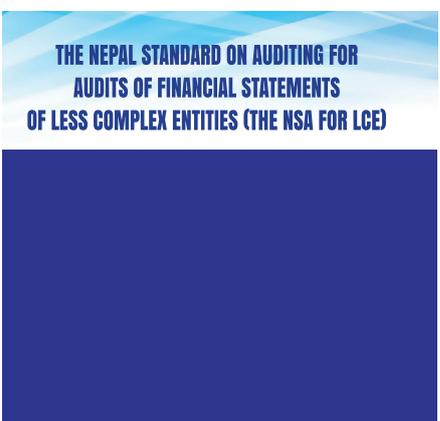
STATISTICS OF PRACTICING MEMBERS TILL FY 2023/24

Practicing Members	FY 2023/24		Audit Firms	FY 2023/24	
	Total	Renewed		Total	Renewed
Total Members	7,874	3,695	Total Firms	5,477	3,519
CA in Practice	1,322	930	CA Firm	1,290	767
RA in Practice	6,552	2,765	RA Firm	4,187	2,752
RA-B Class	3,156	1,298	RA-B Class Firm	2,039	1,289
RA-C Class	1,387	533	RA-C Class Firm	848	531
RA-D Class	2,009	934	RA-D Class Firm	1,300	932

Source: ICAN Strategic Plan 2024/25 – 2028/29

CURRENTLY APPLICABLE AUDITING STANDARDS IN NEPAL

S N.	Description	Remarks
1	Nepal Standards on Auditing 2018	Currently applicable mandatorily
2	Nepal Standards on Auditing 2024	Currently applicable voluntarily and will be applicable mandatorily with effect from 1st Shrawan 2082. Exception: Five new & revised standards [NSQM-1, NSQM-2, NSA-220 (Revised), NSA-600 (Revised) and NSRS-4400 (Revised)] will be applicable mandatorily with effect from 1st Shrawan 2083 only.
3	Nepal Standards on Auditing for Audits of Financial Statements of Less Complex Entities	Will be applicable with effect from 1st Shrawan 2083 (with an option to adopt voluntarily before the due date).

 <p>NEPAL STANDARDS ON AUDITING 2018</p>	 <p>NEPAL STANDARDS ON AUDITING 2024</p>	 <p>THE NEPAL STANDARD ON AUDITING FOR AUDITS OF FINANCIAL STATEMENTS OF LESS COMPLEX ENTITIES (THE NSA FOR LCE)</p>
 <p>लेखापरीक्षणमान बोर्ड AUDITING STANDARDS BOARD Formed by the Government of Nepal Under the Nepal Chartered Accountants Act, 1997</p> <p>AUGUST 2018</p>	 <p>लेखापरीक्षणमान बोर्ड AUDITING STANDARDS BOARD Formed by the Government of Nepal Under the Nepal Chartered Accountants Act, 1997</p> <p>JUNE 2024</p>	 <p>लेखापरीक्षणमान बोर्ड AUDITING STANDARDS BOARD Formed by the Government of Nepal Under the Nepal Chartered Accountants Act, 1997</p> <p>NOVEMBER 2024</p>

SECTION I

OUR STRATEGY FOR 2024/25 TO 2027/28



OUR GOAL



Our goal is to serve the public interest by developing the globally accepted audit, review and other assurance and non-assurance standards that enable consistent performance and high-quality professional engagements. Furthermore, our goal is to enhance trust in external reporting and evolve in a timely manner to meet changing demands of public interest.

OUR KEYS TO SUCCESS



We strive to achieve our strategy:

- ◆ Through our commitment to engage, listen and learn, and to lead and adapt in our national standard-setting responsibilities.
- ◆ Through our people at the Board and Staff levels, utilizing their collective competencies, capabilities, and experience.
- ◆ By fostering confidence in the quality of our processes and the relevance and credibility of our standards.



OUR STRATEGIC DRIVERS

Our strategic drivers are shaped by environmental factors that influence the opportunities and challenges impacting our ability to achieve our goal. By understanding our key factors of opportunities and challenges and balancing the needs of our stakeholders will drive the choices we make for the year 2024/25 to 2027/28 strategy period. The most significant strategic drivers that have shaped our Strategy and Work Plan include:

Impact of Technology



The increasing use of technology by entities and professional practitioners is transforming business models, information systems and reporting. In addition, the use of latest technologies (including artificial intelligence) is changing the nature and approach of engagement which necessitate the development of new standards and revise the existing standards. Stakeholders expect standard setters to proactively address these advancements.

Sustainability Reporting and Other Evolving Areas for Assurance Engagements

Sustainability reporting is rapidly progressing from voluntary reporting commitments to mandatory requirements across various jurisdictions. Hence, there is a growing need to develop a standard on sustainability assurance as well. Additionally, increasing focus on non-financial information in capital and resource allocation decisions prompts the need for assurance engagements on various and diverse topics.



Heightened Supervisory Scrutiny



The regulators and oversight bodies play a critical role in the external reporting ecosystem, ensuring accountability and reliability of audit and other engagements of professionals. Those bodies are increasingly demanding quality standards to keep pace with increasing complexity of the business environment, and the evolving reporting frameworks – both financial as well non-financial.

Needs of Support for the Implementation of Our Standards

Stakeholders, including regulators, emphasize the importance of support materials and training programs to facilitate the effective application of standards. Regular training and awareness initiatives will be a key focus alongside our standard-setting activities.



OUR STRATEGIC OBJECTIVES

Our strategic objectives are the differentiating outcomes that address our strategic drivers and are necessary to achieve our goal. Those objectives (and related strategic actions addressed in the next section) are the choices we have made for the strategy period 2024/25 to 2027/28. During this period, we will focus on selecting and prioritizing standard-setting and allied activities. We have broadly outlined our objectives as below:

Assessing needs, developing, and evaluating the auditing and assurance standards,

Providing consistent support for better performance for ensuring quality in professional engagements to the practitioners, and technical assistance to government entities and regulators for monitoring and review in changed environment,

Continuing Interactions with regulators and stakeholders,

Creating more agile, innovative ways of working, and

Strengthening the Board's governance and operational efficiency.

RISK ASSESSMENT AND MITIGATION STRATEGIES

Implementing this strategic plan presents several challenges that need to be proactively managed to ensure success. Below are key risks and our approach to mitigating them:

Risk Category	Potential Risk	Mitigation Strategy
Regulatory and Compliance Risks	Delays in approval of new standards and revisions due to lengthy regulatory processes.	Strengthen engagement with ICAN, MOF, and other regulatory bodies through regular consultations.
Resource Constraints	Insufficient funding or human resources to execute strategic initiatives effectively.	Secure additional budgetary support through coordination with government entities and explore external funding sources.
Technological Challenges	Limited adoption of digital audit tools and cyber security risks affecting standard implementation.	Promote awareness and training on digital audit techniques and establish cybersecurity guidelines.
Stakeholder Resistance	Hesitancy from auditors and firms in adopting new auditing standards and methodologies.	Conduct awareness programs, interactive workshops, and phased implementation approaches.
Implementation Challenges	Difficulty in monitoring the effective application of standards across different sectors.	Develop clear performance indicators and conduct regular post-implementation reviews.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION PLAN

A key priority of this strategic plan is active engagement with stakeholders, ensuring transparency, collaboration, and effective implementation of auditing standards. The Auditing Standards Board (AuSB) will adopt a structured approach to stakeholder communication, including the following initiatives:

1. Engagement with Key Stakeholders

- ◆ **Institute of Chartered Accountants of Nepal (ICAN):** Collaboration on auditing standard-setting, capacity-building initiatives, and regulatory compliance.
- ◆ **Government and Regulators (MOF, OAG, IRD, SEBON, OCR, etc.):** Regular consultations to align auditing standards with regulatory requirements.
- ◆ **Auditors and Practitioners:** Interactive workshops, training sessions, and feedback mechanisms to support implementation of auditing standards.
- ◆ **International Bodies (IAASB, IFAC):** Alignment of Nepal's auditing standards with global best practices.



2. Communication Channels

To ensure timely and effective communication, AuSB will utilize multiple platforms as below:

- ◆ **Workshops and Training Programs:** Regular sessions for auditors, regulatory officers, and government entities.
- ◆ **Public Consultations and Feedback Sessions:** Stakeholder meetings before finalizing new standards.
- ◆ **Digital Outreach:** Enhancing the AuSB website with resources, FAQs, and online training modules.
- ◆ **Regular Publications and Reports:** Issuance of newsletters, updates on regulatory changes, and case studies on audit best practices.





SECTION II

WORK PLAN FOR 2024/25 TO 2027/28

A continuous risk-monitoring mechanism will be established to address emerging challenges and ensure smooth execution of the strategic plan.

Our Work Plan is focused on the ongoing projects, timely identification of new or emerging issues that may affect existing standards, and analysis and resolution of these identified issues. Our Work Plan assumes optimum utilization of the available resources and capacity (e.g., people, time, and budget), and balances the current needs of different stakeholders.

The Work Plan is divided into two parts. The first part is about the ongoing projects and targeted timeline of final approval. In the second part, it highlights the new initiatives for each strategic objective along with the targeted timeline of its commencement.

As the Work Plan period progresses, it may change given the nature of the project, its complexities, stakeholder’s feedback, and methodologies. Additionally, we recognize the need for flexibility considering the market response to our proposals. The latter includes changes that may be required to address the future new developments that are not foreseen beforehand.

We strive to ensure that the requirements of our stakeholders are fulfilled and informed through effective means of communication. This Section provides further detail about our planned actions for the year 2024/25 to 2027/28.

PROJECTS UNDERWAY AT THE START OF 2025

Table A: Ongoing Projects

Table A: Project Underway at the Start of the Year 2025	Targeted Final Approval
Nepali Translation of the NSA for LCE	H1 2025

PLANNED NEW INITIATIVES FOR 2024/25 TO 2027/28

The projects that have been identified after considering the following aspects:

- ◆ A known public interest, needs or benefit for pursuing a project.
- ◆ Alignment with our organizational goal, strategic drivers and strategic objectives.
- ◆ Alignment with current global developments to maintain or enhance quality of engagements.
- ◆ Maintaining an appropriate balance in taking on new projects to revise or develop standards with an awareness of the possible cumulative effect of successive fundamental changes to standards (e.g., the potential negative impact on the public interest, including the quality of engagements, arising from stakeholders not being given sufficient time to absorb changes).
- ◆ The available resources.

Table B below sets out the new initiatives and projects we plan to commence during the Work Plan period. The “commencement” of a project is marked by the Board and related resources being allocated to undertake information-gathering and research activities to the Technical Committee, the outcome of which will determine whether standard setting will proceed. The Board may determine that identified issues may best be addressed through means other than standard setting, such as developing or commissioning of non-authoritative guidance, checklist etc.

Table – B: Planned New Initiatives for 2024/25 To 2027/28		Targeted Commencement
STRATEGIC OBJECTIVE – 1: ASSESSING NEEDS, DEVELOPING, AND EVALUATING THE AUDITING AND ASSURANCE STANDARDS		
Strategic Actions for Achievement of Strategic Objective – 1 as Above		
SO-1(a): Conduct a Feasibility Study and Interaction with ICAN for Development of Internal Audit Standards	H2 2025	
The Board will conduct a feasibility study and will have interactions with ICAN to assess the viability of developing internal audit standards. The potential benefit is the establishment of best practices that enhance internal controls and governance within organizations.		
SO-1(b): Need Assessment and Necessary Interaction with Regulators for Auditing Standard on Sustainability Assurance	H2 2025	
As the IAASB has already pronounced the ISSA – 5000, the Board will assess the need for development of Auditing Standard on Sustainability Assurance in Nepal as well.		

Table – B: Planned New Initiatives for 2024/25 To 2027/28	Targeted Commencement
<p>SO-1(c): Initiate Development of the Internal Audit Standards, if it is Found to be Feasible to Develop and Implement [Ref: SO-1(a)]</p> <p>If found viable, the Board will initiate development of Internal Audit Standards to standardize internal audit practices and serve as a foundation for evaluating and improving the quality of internal audit functions.</p>	H1 2026
<p>SO-1(d): Going Concern – NSA 570</p> <p>IAASB has already approved the revised standard (ISA 570) in December 2024. So, the Board plans to expedite the revision work in line with the revisions made by IAASB after studying the relevance and importance of revisions.</p>	H1 2026
<p>SO-1(e): Fraud – NSA 240</p> <p>IAASB is planning to finalize the project (Revision of ISA 240) in March 2025. And the Board can expedite the project for revision of NSA 240 in line with the revisions made by IAASB after studying the relevance and importance of revisions.</p>	H1 2026
<p>SO-1(f): Development of the Auditing Standard on Sustainability Assurance [Ref: SO-1(b)]</p> <p>If found viable, the Board will initiate the development process of Auditing Standard on Sustainability Assurance. It will help to promote sustainable business practices and increase transparency in sustainability reporting.</p>	H1 2026
<p>SO-1(g): Post Implementation Review (PIR) of the NSA 2024</p> <p>To evaluate the effectiveness of the implemented auditing standards, the Board will conduct PIR of the NSA 2024. This will help to identify areas for improvement and ensure continuous enhancement of audit practices.</p>	H1 2027
<p>SO-1(h): Post Implementation Review of the “NSA for LCE”</p> <p>The Board will conduct PIR of the NSA for LCE to evaluate its effectiveness. This will help to identify areas for improvement and maintenance of the NSA for LCE.</p>	H2 2027

Table – B: Planned New Initiatives for 2024/25 To 2027/28	Targeted Commencement
<p>SO-1(i): Maintenance of “NSA for LCE” [Ref: SO-1(h)]</p> <p>Taking into account the initial period of stability set by the IAASB for this standard, the Board will also not seek any revision till the period of 3 years after its implementation. The revisions on other Auditing Standards may identify the need for updates on this standard.</p>	H2 2027
<p>SO-1(j): Audit Evidence & Risk Response (NSA 300, NSA 500 & NSA 520)</p> <p>Currently, corresponding ISAs of these standards are in Project Proposal phase in IAASB. As per the strategic plans of IAASB, these standards will be approved in March 2027. Therefore, the Board will initiate its working on these standards afterwards.</p>	H2 2027
<p>STRATEGIC OBJECTIVE – 2: PROVIDING CONSISTENT SUPPORT FOR BETTER PERFORMANCE FOR ENSURING QUALITY IN PROFESSIONAL ENGAGEMENTS TO THE PRACTITIONERS, AND TECHNICAL ASSISTANCE TO GOVERNMENT ENTITIES AND REGULATORS FOR MONITORING AND REVIEW IN CHANGED ENVIRONMENT</p>	
<p>Strategic Actions for Achievement of Strategic Objective – 2 as Above</p>	
<p>SO-2(a): Preparation of Frequently Asked Questions (FAQ) on “NSA for LCE”</p> <p>The Board recently finalized the NSA for LCE and ICAN has also pronounced the standard, and it is going to be applicable with effect from 1st Shrawan 2083. The FAQ will help to understand this standard broadly and it’s applicability. This will further serve as a proactive step towards ensuring the effective implementation of NSA for LCE.</p>	H1 2025
<p>SO-2(b): Preparation of Auditor Reporting Supplemental Guide for “NSA for LCE” in English as well as in Nepali Language</p> <p>The Auditor reporting supplemental guide will help auditors about modifications to the auditor’s report when using the NSA for LCE including the information on using emphasis of matter and other matter paragraphs, reporting on other information, and reporting on a material uncertainty related to going concern. This guide will also have the illustrative auditor’s reports, including examples of adverse opinions, disclaimer of opinion, and opinions when there is a material uncertainty related to going concern.</p>	H1 2025

Table – B: Planned New Initiatives for 2024/25 To 2027/28	Targeted Commencement
<p>SO-2(c): Preparation of Checklist for “NSA for LCE” in English as well as Nepali Language</p> <p>The checklist on NSA for LCE is planned to be prepared to support the practitioners. The checklist will be a comprehensive set of the activities and compliances required as per the NSA for LCE. This document will serve as a guide to check whether all necessary activities are undertaken during an audit by using the NSA for LCE.</p>	H1 2025
<p>SO-2(d): Preparation of Implementation Guidelines for NSQM 1 and 2 for Smaller Firms</p> <p>Most of the audit firms we have are either a sole practitioner or having only two partners. The implementation of NSQM 1 and 2 seems difficult specially in the smaller firm size due to its requirements. Therefore, there is planning to prepare this guideline which will assist the small practitioners to implement the NSQM 1 and 2 effectively. The guideline has already been published by IFAC, and the Board is planning to prepare the guideline based on that document.</p>	H1 2025
<p>SO-2(e): Preparation of the First-Time Implementation Guide for “NSA for LCE” in English as well as Nepali Language</p> <p>The first-time implementation guide will help auditors with several considerations and processes to be followed while using the NSA for LCE.</p>	H2 2025
<p>SO-2(f): Preparation of Guidelines for Tax Audit Report in Coordination with the Inland Revenue Department (IRD)</p> <p>The IRD is going to implement a Tax Audit System that is to be conducted by CAs & RAs to get assurance on the tax compliances by the taxpayers. In this context, the board will take the initiative to coordinate with the department and prepare guidelines to conduct such an audit by the practitioners.</p>	H2 2025
<p>SO-2(g): Preparation of Checklists for Nepal Standards on Auditing (NSAs)</p> <p>The Board will identify the major NSAs and prepare their checklists to assist practitioners to check the compliance of the respective NSAs.</p>	H1 2026

Table – B: Planned New Initiatives for 2024/25 To 2027/28	Targeted Commencement
<p>SO-2(h): Development of Audit Template for Specific Sectors from Inception to Finalization</p> <p>To ensure quality audits in some specific sectors, the board will identify those sectors (like for School, Cooperatives, Hydropower, Bank etc.) and prepare the audit template that will be equipped with the list of considerations and activities from inception to finalization, while conducting an audit of that specific sector.</p>	H1 2026
<p>SO-2(i): Preparation of Guideline for Auditing General Projects and Donor Funded Projects</p> <p>The Board will prepare standardized guidelines for auditing both general projects and donor-funded initiatives, ensuring consistency, transparency, and compliance with auditing standards.</p>	H1 2026
<p>SO-2(j): Study the Audit Procedures of OAG and IRD, and Suggest Them for Improvement.</p> <p>The Board is of the view that it is essential to strengthen the current audit procedures used by government bodies and suggest them for possible improvements, as a part of responsibility of AuSB towards the GoN. It will ultimately improve audit quality, increase efficiency, and better compliances in audits by the government bodies.</p>	H1 2026
<p>SO-2(k): Implementation Support and Other Actions Related to Sustainability Assurance Standard [Ref: SO-1(f)]</p> <p>Implementation support activities that focus on, for example, supplemental guidance that address specific topics, first-time implementation guidance and other non-authoritative materials will be undertaken.</p>	H2 2026
<p>SO-2(l): Preparation of Guideline for Artificial Intelligence (AI) and Information System (IS) Audit</p> <p>The Board will prepare this guideline to establish a standardized framework for AI & IS Audit, ensuring consistency and reliability in evaluating advanced IT infrastructure. It will help to improve data security, reduce risk of system failures, and enhanced trust in digital systems.</p>	H2 2026

Table – B: Planned New Initiatives for 2024/25 To 2027/28	Targeted Commencement
<p>SO-2(m): Preparation of Guideline for Physical Verification and Certification</p> <p>This guideline is expected to standardize the process of physical verification of assets and assignments related to certification ensuring the quality of verification process and certification.</p>	<p>H2 2026</p>
<p>SO-2(n): Preparation of Necessary Guideline to Resolve the Problems Identified on Audit of Foreign Companies [Ref: SO-3(d)]</p> <p>The Board will prepare necessary guidelines to address specific challenges faced during audits of foreign companies. It will improve compliance with standards and reduce the risks associated while auditing foreign entities.</p>	<p>H1 2027</p>
<p>SO-2(o): Conduct Physical/ Virtual Training Programs to Officers of the Regulators to Enhance Their Clarity/ Capacity Related to Audit Process and Auditor’s Report.</p> <p>The AuSB has plans to conduct training programs all over Nepal based on the necessity and available resources. It is necessary to enhance the skills and knowledge of regulatory officers regarding audit processes and audit reports. It will help to improve clarity and capacity to review the audit reports.</p>	<p>Throughout the period</p>
<p>SO-2(p): Conduct Physical/Virtual Training Programs to Practitioners for Their Capacity Development Related to Applicable Auditing Standards and Their Responsibilities Thereof.</p> <p>The AuSB has plans to conduct training programs all over Nepal based on the necessity and available resources. This training is needed to update practitioners on the latest auditing standards and their responsibilities. These programs will enhance their professional competence, ensuring audits are conducted in line with applicable auditing standards.</p>	<p>Throughout the period</p>

Table – B: Planned New Initiatives for 2024/25 To 2027/28		Targeted Commencement
STRATEGIC OBJECTIVE – 3: CONTINUING INTERACTIONS WITH REGULATORS AND STAKEHOLDERS		
Strategic Actions for Achievement of Strategic Objective – 3 as Above		
<p>SO-3(a): Discussion and Interaction with Different Stakeholders and Regulators to Get Their Feedback Regarding the Problems Identified by Them in the Context of Audit Procedures or Reporting.</p> <p>The Board will have interactions with stakeholders and regulators to gather feedback on audit procedures and reporting. This will help to improve the audit process and enhance stakeholder trust.</p>	Throughout the period	
<p>SO-3(b): Discussion with Different Ministries of GoN for Collaboration to Include NSAs Related Contents in Their Officer’s Capacity Development Training</p> <p>For widespread understanding of auditing standards among government officers, the Board will collaborate with ministries to integrate NSAs into government training programs.</p>	H2 2025	
<p>SO-3(c): Discussion with Different Universities for Collaboration to Include NSAs Related Contents in Syllabus</p> <p>To prepare future professionals with up-to-date knowledge and skills in auditing, the Board will discuss with different universities to incorporate NSAs into academic curriculum.</p>	H2 2025	
<p>SO-3(d): Identification of the Problems in Conducting Audit of Foreign Companies</p> <p>The Board will Identify problems in auditing foreign companies to understand specific challenges. It will help us to identify key areas that are to be addressed while preparing the guideline.</p>	H2 2026	
STRATEGIC OBJECTIVE – 4: CREATING MORE AGILE, INNOVATIVE WAYS OF WORKING		
Strategic Actions for Achievement of Strategic Objective – 4 as Above		
<p>SO-4(a): Study and Analysis of the Audit Reports in Coordination with Regulatory Authorities</p> <p>The Board will coordinate with regulatory authorities to have some audit reports based on the selection criteria from different sectors in every year to study and analyze them by the technical team. This will help us to identify the prevailing issue, if any, and address them appropriately.</p>	Throughout the period	

Table – B: Planned New Initiatives for 2024/25 To 2027/28	Targeted Commencement
<p>SO-4(b): Prepare a Mechanism to Respond on the Exposure Drafts/ Discussion Papers Regarding the International Standards on Auditing.</p> <p>The Board will develop a mechanism for the detailed study and response on the Exposure Drafts/ Discussion Papers regarding the International Auditing/ Assurance/ Sustainability Standards published by the International Auditing and Assurance Standards Board (IAASB). The mechanism will help to gain an understanding of the revisions and the reasons thereof for international auditing standards. Further, it will also help us to respond to the proposed revisions/ other standard related activities.</p>	H2 2025
<p>SO-4(c): Revision of Board’s Standard Development/ Revision Due Process, 2080 [Ref: SO-5(c)]</p> <p>For timely and efficient development and revision of the standards, the Board will make necessary revision on its standard development/ revision due process.</p>	H2 2025
<p>STRATEGIC OBJECTIVE – 5: STRENGTHENING THE BOARD’S GOVERNANCE AND OPERATIONAL EFFICIENCY</p>	
<p>Strategic Actions for Achievement of Strategic Objective – 5 as Above</p>	
<p>SO-5(a): Make Necessary Changes to the Board’s Website to Make it More User Friendly and Presentable.</p> <p>To improve user experience and accessibility, the Board will make necessary changes to our existing website.</p>	H1 2025
<p>SO-5(b): Coordination with MOF and Regulators (IRD, OAG, OCR, SEBON, Cooperative Department etc.) for Budget Enhancement/ Inclusion</p> <p>The Board will coordinate with MOF and regulators to secure adequate funding for sustainable operations and successful implementation of the initiatives.</p>	H1 2025
<p>SO-5(c): Review and Make Necessary Revision on the Board’s Meeting Procedure, 2073</p> <p>The Board will review and revise the Board’s Meeting Procedure, 2073 to improve decision-making, governance and efficient board operations.</p>	H2 2025

Table – B: Planned New Initiatives for 2024/25 To 2027/28	Targeted Commencement
<p>SO-5(d): Suggestion for Revision on the Nepal Chartered Accountants Act, 1997 to Resolve the Technical, Administrative and Employee Related Issues</p> <p>As some provisions are already identified by the Board for revisions, the Board will take necessary action for the revision of ICAN Act, 1997 to address existing technical and administrative issues.</p>	H2 2025
<p>SO-5(e): Preparation and Implementation of Bylaws (Employee, Administrative and Financial) for Smooth Functioning of the Board</p> <p>To provide clear administrative/ financial guidelines and for the efficient and transparent operations of the board, the Board will prepare and implement necessary Bylaws.</p>	H2 2026
<p>SO-5(f): Enhancement of Employee’s Strength</p> <p>To address resource gaps and to meet the board’s objectives effectively, the strength of existing employees will be enhanced.</p>	H2 2026

MONITORING AND IMPLEMENTATION

The Board and the management of the AuSB are jointly responsible for the timely, effective, and efficient execution of the actions outlined in each strategic objective. Strategic activities under every objective will be prioritized to ensure a balanced and coordinated execution of this strategic plan. The annual budget, programs, policies, and priorities of the AuSB shall be aligned with and derived from the strategic action plans.

To ensure robust oversight, a comprehensive monitoring and evaluation framework will be established to track progress, measure outcomes, and identify areas for improvement. The Chief Executive Officer (CEO) shall submit a half-yearly evaluation and implementation report of the Strategic Plan to the Board, highlighting achievements, challenges, and any deviations from the planned objectives. The Board shall review these reports, raise exceptions as necessary, and issue directives or recommend corrective actions to the responsible authorities to ensure alignment with the strategic goals.

Additionally, the Board will provide guidance to the CEO on the design, preferences, and priorities of the plan. The Board will also regularly evaluate the activities and progress of the Strategic Plan to ensure that goals are being achieved efficiently and effectively as envisioned. This ongoing monitoring and evaluation process will enable the AuSB to maintain focus, optimize resource allocation, and achieve its strategic objectives in a timely and impactful manner.

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AUDITING
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