



नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था

**The Institute of Chartered Accountants of Nepal**

(Established under The Nepal Chartered Accountants Act - 1997)

ICAN Marga, Satdobato Lalitpur / Post Box Number : 5289,

Phone : 5530832, 5530730, [Website: http://www.ican.org.np](http://www.ican.org.np), Email: [ican@ntc.net.np](mailto:ican@ntc.net.np)

**ICAN E-News**

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## **ICAN Advisory Note**

The Institute has issued “**ICAN Advisory Note on COVID – 19 Impact on Financial Reporting and Auditing**” to provide guidance to business organizations in devising appropriate and uniform approach in preparing the financial statements. It also aims at guiding ICAN members in practice and service amid effects of COVID – 19 in business and economy.

It includes advisory on requirement of various Nepal Financial Reporting Standards (NFRS) standards, Nepal Standards on Auditing (NSA) standards, analysis of impact of COVID – 19 on compliance to these standards and Institute’s recommendation. Please download ICAN Advisory note by [clicking here](#).

## **Request for Participation in National BPA Award, 2019**

The Institute has requested organizations having Nepal Financial Reporting Standards (NFRS) based financial statements (Preferably in English) to participate in National Best Presented Annual Report (BPA) Award, 2019 by publishing a notice to this effect.

The basic objective of the award is to promote better presentation of financial and other pertinent informations and disclosures in the Annual Report of the reporting entities. BPA Award, 2019 will be held under 5 different categories and winners of BPA Award, 2019 will be announced on the occasion of oath taking ceremony of newly elected President and Vice President of ICAN for the year 2077/78. Winners of BPA Award 2019 will also be nominated for South Asian Federation of Accountants (SAFA) level Best Presented Annual report award competition.

Interested organizations are requested to send their letter of interest for participation along with 6 copies of their annual reports (preferably in English) of fiscal year 2018/19 (2075/76) duly approved by their annual general meeting or the competent authority to the Institute latest by 14 June, 2020 (corresponding to 32 Jestha 2077) and email it’s soft copy to [binod@ican.org.np](mailto:binod@ican.org.np).

For more details, [please click here](#).

## **Post Budget Interaction Program**

The Institute organized online post budget interaction program on 29 May 2020 – a day after the federal budget for fiscal year 2077/78 (2020-21) was tabled.

The objective of the interaction program was to review the budget speech and assess its impact on various business sectors and in overall economy of the country. Further, the program also aimed to assess the impact on business including overall collection of revenue due to changes in tax laws.

The program started with the welcome remarks of President CA. Krishna Prasad Acharya. The interaction program broadcasted online, had three different technical sessions – Stakeholders discussion on impact of budget in various sectors of business along with effect of COVID – 19, Impact on overall business due to changes in tax laws and Impact of budget in overall economy. Chairman - Fiscal, Taxation and Research Committee, ICAN CA. Bidhya Baridhi Sigdel moderated the discussion session whereas, members of Fiscal, Taxation and Research Committee, ICAN CA. Kaushlendra Kumar Jha and CA. Umesh Raj Pandeya presented their papers in the program. Besides, Past President of ICAN CA. Sudarshan Raj Pandey and Director – IIDS Dr. CA. Biswash Gauchan elaborated on broad spectrum of the budget. The program was participated by more than 1,700 members, students and other professionals.

The program ended with summarization of program and vote of thanks by Vice-President CA. Madan Krishna Sharma.

### **Online Capacity Development Training on Cooperative Audit**

The Institute organized 3 days online capacity development training on Cooperative Audit for its members from 28 to 30 May 2020. The program started with the opening remarks of President CA. Krishna Prasad Acharya.

The training focused on various topics such as concept of cooperatives in Nepal, financial administration and accounting of cooperatives, budget formulation, internal control system and audit risk evaluation, important provisions of Cooperative Act, 2074 and Cooperative Regulation, 2075, audit of cooperatives, financial statements of cooperatives, audit processes, auditors report, Long Form Audit Report(LFAR), Directives for Cooperatives etc.

This training was delivered by CA. Badri Kumar Guragain and was participated by more than 900 members of the Institute.

### **Capacity Development Training on Nepal Accounting Standards (NAS) for Micro Entities (MEs)**

The Institute organized two day capacity development training on ‘NAS for MEs’ for its members. The objective of this capacity development training was to educate the applicability of Nepal Accounting Standards while preparing and reporting financial statements of Micro Entities and to support professional development of members.

The program started with the opening remarks of President CA. Krishna Prasad Acharya.

The program imparted understanding of scope of the standard, components of financial statements of MEs, financial instruments, inventories, property, plant and equipment, leases, provisions and contingencies, equity, revenue, government grants, borrowing cost, related party disclosures etc.

CA. Surya Bikram Kunwar delivered this training and more than 900 members of the Institute participated in the training.

### **Global Webinar on Role of Professional Accountants in Business Continuity, Crisis Management and Financial Reporting: Post COVID – 19 Pandemic**

The Institute organized Global Webinar on the topic ***“Role of Professional Accountants in Business Continuity, Crisis Management and Financial Reporting: Post COVID-19 Pandemic”*** on 22 May 2020.

In the Webinar, eminent and known personalities representing from Professional Accounting Bodies across the globe presented their views and ideas on the roles of Professional Accountants and initiatives taken for uniformity in reporting by Professional Accounting Bodies to overcome post COVID-19 impact.

The program started with the welcome and opening remarks of President CA. Krishna Prasad Acharya.

In the Program CA. Maha Prasad Adhikari, Governor of Nepal Rastra Bank, Prof. Dr. In-Ki Joo, President of IFAC, Mr. Zia-Ul-Mustafa Awan, President of SAFA, Fiona Wilkinson, President of ICAEW, Mr. Peter Rupp, President of CA ANZ, CA. Atul Kumar Gupta, President of ICAI, Elaine Hong, Executive Director, Stakeholders and Strategy, CAPA, Mr. Ram Subramaniam, Policy Adviser of CPA Australia, FCA. Sabbir Ahmed, Vice-President of ICAB, Dr. CA. Chamara Bandara, Consulting Entrepreneur, Sri Lanka presented their views on Monetary and Financial Sector Intervention against COVID-19 Pandemic, IFAC Initiatives for Accounting Profession in the light of COVID-19 Pandemic, Crisis Management by Professional Accountants arising from COVID-19 Pandemic, UK Perspectives on COVID-19 Supporting Members and Building Something Better, Impact of COVID-19 on Accounting Profession- Big 4 Perspectives, Role of Accounting Professionals in Stabilizing Economy – Post COVID 19 Pandemic, COVID-19 Impacts - Challenges Facing Professional Accountants in Asia Pacific, Role of Professional Accountants in Financial Reporting: Post COVID – 19 Pandemic, Role of Professional

Accountants in Revival of SMEs- Post COVID -19, Ways for SMEs to Evolve and Thrive from COVID-19 Environment- Role of Professional Accountants respectively.

Program was concluded with the closing remarks and summarization of the program by the Vice President of ICAN CA. Madan Krishna Sharma. More than 2500 professionals participated in webinar through online platform of ICAN.

### **Capacity Development Training on School Audit**

The Institute organized a four day online capacity development training on School Audit for its members from 12 to 15 May 2020.

The objective of the training was to impart understanding to trainees on steps of auditor's appointment in schools, audit process, audit planning and evaluation of audit risk in school audit, audit documentation, corporate governance, accounting, fixed assets control, nature of income/expenses of schools, taxation in schools, sample audit report for school, financial statements of schools etc.

The program was addressed by President CA. Krishna Prasad Acharya, who during his address mentioned that the Institute is always committed for all round capacity development of it's members.

CA. Ananda Shrestha delivered this training and more than 800 members of the Institute participated in the training.

### **Training Program on Audit Practice Manual**

The Institute organized a five days online training on Audit Practice Manual for it's members from 10 to 14 May, 2020. The objective of the training program was to equip members with knowledge required to execute and document the complete audit system in compliance of professional standards.

The Audit Practice Manual on which the training was designed was provided by the Institute of Chartered Accountants in England and Wales (ICAEW) and is recommended for use by ICAN's practicing members and audit firms under a project "Strengthening Quality Assurance Review System" of the Institute.

Basically, the training covered fundamentals of Nepal Standards on Auditing (NSA) and Code of Ethics Compliant Audit, Meeting Quality Control Standards (NSQC – 1), Planning and Control of audit, detailed procedures for audit work, review and completion of audit.

The program was addressed by President CA. Krishna Prasad Acharya. During his address, he stressed on the auditor's obligation to maintain the same level of audit quality even during the effects of COVID – 19 on businesses.

CA. Nanda Kishor Sharma delivered this training and more than 900 members of the Institute participated in the training.

### **Training on Key Audit Matters and Code of Ethics**

Considering the mandatory compliance of Nepal Standards on Auditing (NSA) – 701 “Communicating Key Audit Matters in the Independent Auditor's Report” in issuing auditor's report of Multinational Companies, Listed Companies and State Owned Enterprises after 1<sup>st</sup> Shrawan, 2077 and it's subsequent application in other sectors from 1<sup>st</sup> Shrawan, 2078, the Institute organized an online training on “*Key Audit Matters*” on 19<sup>th</sup> May 2020.

Simultaneously, the Institute also organized three hours online training program to impart understanding on Code of Ethics on 20<sup>th</sup> May, 2020. These online trainings had objective to educate it's members on requirements of NSA – 701 and various requirements of ethical compliance, understanding of interrelated provisions of guidelines issued for the Code of Ethics. The program started with the opening remarks of President CA. Krishna Prasad Acharya. During his remarks, he enlightened the importance and the objective of the training.

The training was delivered by CA. Shashi Satyal, Practitioner and CA. Madan Krishna Sharma, Vice President on Key Audit Matters and Code of Ethics respectively. More than 900 members participated in the training.

### **Online Training on Nepal Financial Reporting Standards (NFRS)**

The Institute organized eight days online training on NFRS from 11 to 18 May 2020.

The objective of the training was to provide in-depth knowledge of Nepal Financial Reporting Standards (NFRS). The training mainly focused on conceptual framework, consolidated financial statements and financial instrument aspects of NFRS.

The program was addressed by President CA. Krishna Prasad Acharya, who during his remarks, stated on importance of such trainings to help businesses comply with NFRS.

CA. Arun Raut, CA. Jitendra Mishra, CA. Mahesh Godar, CA. Ramesh Dhital, and CA. Bidur Luitel delivered this training and more than 850 members of the Institute participated in the training.

## **Online Training on NFRS for SMEs**

The Institute organized a five days online training on NFRS for SMEs from 5 to 9 May 2020.

The training covered various requirements of NFRS for SMEs i.e. accounting policies, related party disclosures, inventory, intangible assets, property plant and equipment, model financial statements as per the NFRS for SMEs etc.

The program was addressed by President CA. Krishna Prasad Acharya. During his remarks, he stated that such programs are very important in building capacity of auditors and help business communities comply with the requirements of NFRS for SMEs.

CA. Surya Bikram Kunwar delivered this training and more than 1,000 members of the Institute participated in the training.

## **Training on Public Procurement**

The Institute organized a four days online training on Public Procurement for it's members from 4 to 7 May 2020.

The training was designed to focus on requirements of various Acts and Regulations related to Public Procurement and to address the complication of interpretation of various interrelated clauses of the Act by the professionals. The training program was addressed by President CA. Krishna Prasad Acharya.

Advocate Baburam Dahal delivered this training and more than 900 members of the Institute participated in the training.

## **Ongoing Events**

### **Webinar on "COVID- 19 Impact on Auditing Practices: Practical Issues"**

Auditing Standards Board (AuSB) is organizing a six-days Webinar on "**COVID-19 Impact on Auditing Practices: Practical Issues**" in technical support of ICAN from 31 May to 5 June 2020 from 11:00 AM to 2:00 PM.

For more details and registration, [please click here.](#)

## **National News**

### **Federal Budget Unveiled**

Federal budget for F.Y. 2077/78 was tabled by Hon'ble Finance Minister and Minister of Communication and Information Technology Dr. Yuba Raj Khatiwada in the joint session of the House of Representatives and National Assembly on 28 May, 2020.

## International News

### **IFAC Releases the Fifth Installment of "Exploring the IESBA Code"**

International Federation of Accountants (IFAC) has released the latest installment of its Exploring the IESBA Code educational series: Exploring the IESBA Code Installment 5 - Independence. The latest installment is live on a new landing page in the "Building Trust and Ethics" portion of the IFAC Website ([click here](#)).

For more information about the Code, please [click here](#).

### **IFAC Launches Practice Transformation Action Plan**

International Federation of Accountants (IFAC) published a '*Practice Transformation Action Plan – A Roadmap to the Future*' (*the Plan*), which covers four key focus areas for small- and medium-sized practices (SMPs):

- Embrace Change
- Leverage Technology
- Focus on Talent Management
- Evolve the Firm Operating Model and Build Advisory Services

IFAC have also created a dedicated 'practice transformation' [web page](#), featuring case studies, examples of how Member Organizations are supporting their firms to innovate and evolve, as well as additional tools and resources.

### **IFAC Launches Small Business Continuity Checklist**

IFAC published a 'Small Business Continuity Checklist – How to Survive and Thrive Post Covid-19'.

Small businesses have been disproportionately affected by the COVID-19 pandemic. Most organizations worldwide are small in size, and the importance of small businesses to the global economy is indisputable.

The Checklist is included on IFAC's dedicated COVID-19 [web page](#) with many other useful resources.

## **As Financial Crimes Grow during the Pandemic, Accounting Groups Address Key Piece of AML Action**

As a result of the COVID-19 pandemic and the unprecedented sums of relief money moving across the global economy, the threat of financial crimes and malfeasance continues to grow.

The report, "[Approaches to Beneficial Ownership Transparency: The Global Framework and Views from the Accounting Profession](#)", contributes to the global conversation as countries grapple with questions regarding the extent to which, and by whom, beneficial ownership information is collected, reviewed and made available. Central to this discussion is the concept of beneficial ownership registers and registries.

## **IASB issues amendment to IFRS Standard on leases to help lessees accounting for covid-19-related rent concessions**

The International Accounting Standards Board (Board) has today issued an amendment to IFRS 16 *Leases* to make it easier for lessees to account for covid-19-related rent concessions such as rent holidays and temporary rent reductions.

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

[Access Covid-19-Related Rent Concessions](#), the amendment to IFRS 16. It is freely and immediately available as part of the IFRS Foundation's covid-19 response.

## **Comment on Exposure Draft**

Exposure Draft and comment letters: Classification of Liabilities—Deferral of Effective Date – Due date – 3 June, 2020. To comment, please [click here](#).

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