



Foreword

On behalf of the Institute of Chartered Accountants of Nepal (ICAN), I am pleased to announce that Audit Practice Manual (APM) has been published under the assistance of Asian Development Bank Funded Project “Strengthening Financial Management in Asia and the Pacific: Piloting Audit Quality Assurance Systems for Professional Accountancy Organizations”. The audit practice manual has been provided by the HAT Group of Accountants offering professional services to accountancy firms across the UK under a technical cooperation reached with Institute of Chartered Accountants in England and Wales (ICAEW).

This APM is designed for use by practicing audit firms registered with the Institute, especially those who do not have an audit manual of their own to carry out the audit in conformity with the International Standards on Auditing (ISAs) i.e., Nepal Standards on Audit (NSAs) in the Nepalese context and other technical standards. The APM is of April, 2018 version incorporating revisions in auditing standards pronounced to that date.

The Institute with its commitments to achieve the objectives of regulating and developing the accounting profession and complying with the Statements of Membership Obligation (SMOs) issued by IFAC as a member body, ICAN is committed to monitor the quality of audit and assurance work conducted by its member firms. The APM is recommended to be followed as a good guidance for the practicing members / firms registered with the Institute.

The chapters of the APM include Getting Started, Chapter 1: Planning and Control, Chapter 2: Detailed Substantive and Control Procedures, Chapter 3: Review and Completion, Proforma Documents, Proforma File Dividers including the guidance note on use of this manual within the respective chapters. It is recommended that all practicing audit firms should use such audit practice manual whole or in part as per applicability in the circumstances, compliance of which can provide it and users with reasonable assurance that the audit is conducted at highest of standards and credibility of the audited financial statements is enhanced.

As also referred in the Getting Started section of this Manual, this document is a guide only and does not purport to give professional advice, and hence should not be relied as such. This manual on the other hand should not be taken as substitute of the Nepal Standards on Auditing. Likewise, apart from the use of this manual, the audit firms may need to appropriately consider the additional requirements to comply with the specific circumstances of complex entities and the requirements of local laws and regulations.

I would like to thank Vice President, ICAN Council Members, Members of Quality Assurance Board, and Executive Director of the Institute including the concerned staff/consultants of the ICAEW and ADB for being able to bring out this publication which will be of great support to the audit firms in implementation of auditing standards.

I wish that the endeavour of the Institute to keep its members updated in all respect of profession will continue for overall betterment of the accounting profession in coming days too.

CA. Jagannath Upadhyay Niraula
President – ICAN
July 2019