

## Response to the IFAC Part 2, SMO Self-Assessment Questionnaire

**Associate**            **The Institute of Chartered Accountants of Nepal**  
**Country:**            **Nepal**  
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Number	Question Title/Text/Help text	Answer	Comments
<b>IFAC Part 2 SMO Self-Assessment</b>			
1.	<b>SMO 1</b>		
1.1.	<b>Quality Assurance Program</b>		
1.1.1.	<i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?	1 <input type="radio"/> Yes  2 <input checked="" type="radio"/> No	
1.1.2.	<i>Quality Assurance Review Program Follow Up</i> What plans do you have for developing and implementing a quality assurance review program, or if you do not have those plans, what special reasons or conditions for that fact exist?		The Regulation provides for quality assurance programme through Peer Review Systems. Recently, workshops are organized with the Institute of Chartered Accountants of India to build awareness in this regard.

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		Peer Review Board has been established and further directives and procedures are on the process. Quality Assurance system is expected to be in place by end of July 2007. ICAN itself will be responsible for Quality Assurance activity.	
2.	<b>SMO 2</b>		
2.1.	<i>MB Membership Requirements</i> Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.	1 <input checked="" type="checkbox"/> Complete a program of professional accountancy education  2 <input checked="" type="checkbox"/> Complete a practical experience requirement 3 <input type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies 4 <input type="checkbox"/> None of the above	
2.2.	<i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?	1 <input checked="" type="radio"/> Yes	It is called CPE in Nepal. It is mandatory to members, holding Certificate of Practice, to complete CPE of 10 credit hours per year.

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
		2○ No	
<b>2.3.</b>	<b>Professional Accountancy Education</b>		
2.3.1.	<p><i>Professional Accountancy Education Program</i></p> <p>Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate.</p>	<p>1<input checked="" type="checkbox"/> Our organization</p> <p>2<input type="checkbox"/> Another IFAC member body</p> <p>3<input type="checkbox"/> Universities</p> <p>4<input type="checkbox"/> Approved training institutions</p> <p>5<input type="checkbox"/> Government bodies</p> <p>6<input type="checkbox"/> Other organizations</p>	
<b>2.4.</b>	<b>Final Assessment Follow Up</b>		
2.4.1.	<p><i>Final Assessment Approach Follow Up</i></p> <p>Since your organization does not require completion of a final assessment, please describe how your organization assesses whether an individual has the required professional capabilities and competencies.</p>	<p>We have final examination to measure the required professional capabilities and competence. Unless the person passes the final examination he is not eligible to qualify as a professional accountant.</p> <p>However, the Final Assessment follow up process will be in process when Peer Review Board completes its work.</p>	
2.4.2.	<i>Plans for Final Assessment</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Are there plans to introduce a final assessment of professional capabilities and competence?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.4.3.	<i>Describe Plans for Final Assessment</i> Please describe the proposals to introduce a final assessment of professional capabilities and competence, including how the final assessment will be undertaken and when your organization intends to implement the final assessment requirement.		Matter is being considered in the Council of ICAN.
2.7.	<b>IES 1 Entry Requirements</b>		
2.7.1.	<i>Entry Requirements and Equivalency</i> Section 2.7 deals with the entry requirements to the professional accountancy education program delivered by your organization.  Are the entry requirements to the program equivalent to admissions requirements for a recognized university degree program (or its equivalent)?	1 <input checked="" type="radio"/> Entry requirements are at least equivalent to that for admission into a recognized university degree program (or its equivalent)  2 <input type="radio"/> Entry requirements are not equivalent to that for admissions into a recognized university degree program (or its equivalent)	
2.7.3.	<i>Process for Checking Equivalency</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Is there a formal process for assessing whether an individual's experience and knowledge is equivalent to that for admissions into a recognized university?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	1. The student must be a graduate scoring at least 50 percent mark in Management and 60 percent in other discipline of University education. 2. Those who did not meet criteria set in 1 above will have to go for Foundation Course provided they are at least 10 +2.
2.8.	<b>IES 2 Content of Professional Accounting Education Program</b>		
2.8.1.	<i>Gaining Accountancy Knowledge</i> Section 2.8 deals with the general content of the professional accountancy education program delivered by your organization.  What forms of pre-qualification, professional accountancy knowledge are recognized by your organization? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Post-secondary accounting degree  2 <input checked="" type="checkbox"/> Post-secondary business or finance degree 3 <input checked="" type="checkbox"/> Post-secondary degree in another subject matter 4 <input checked="" type="checkbox"/> Qualification offered by another IFAC member body	In case qualification offered by another IFAC member body, we accept them on case to case basis by comparing with their curriculum.

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
		5 <input type="checkbox"/> Relevant work experience 6 <input type="checkbox"/> Other	
2.8.2.	<i>Describe Other Degree</i> Describe in general terms the other degrees and specializations recognized by your organization.	All the university academic degree except those specialized in the field of fine arts, sculptures, music, culture, dance, literature etc.	
2.8.3.	<i>Describe Other IFAC Qualification</i> State the name of the IFAC member body and the title / designation offered by the IFAC member body that is recognized by your organization.	We recognize qualification of other IFAC member bodies, who are national regulator of accounting profession, on case to case basis after reviewing their curriculum upon request from their members.	
2.8.6.	<i>Pre-Qualification for Professional Knowledge</i> What is the length of the professional accountancy knowledge component of pre-qualification education? Select the answer option that is the most appropriate.	1 <input type="radio"/> Two years of full-time study or part-time equivalent	The Chartered Accountancy course is three years fulltime study.  Students who have completed their twelve years of school education require five years study including 3 years articleship training simultaneously in ICAN. Similarly, Students who have

Number	Question Title/Text/Help text	Answer	Comments
		<p data-bbox="940 548 1402 748"> <input type="radio"/> 2 Less than two years of full-time study or part-time equivalent  <input checked="" type="radio"/> 3 More than two years of full-time study or part-time equivalent study                 </p>	<p data-bbox="1402 337 1768 748">                     completed graduation degree, require four years study including 3 years articleship training simultaneously in ICAN.                 </p>
2.8.7.	<p data-bbox="373 748 940 1027"> <i>Length Follow Up</i>                      Please describe the extent of professional accountancy knowledge that is required as part of the pre-qualification education component. Include in your description factors that were relevant in selecting the extent of knowledge required.                 </p>	<p data-bbox="940 748 1402 1027">                     The professional accountants are required to have expert knowledge in accountancy.                 </p>	<p data-bbox="1402 748 1768 1027">                     They are required to deliver all sorts of expert services as expected by the society.                 </p>
2.8.8.	<p data-bbox="373 1027 1768 1065"> <b>Pre-Qualification Content</b> </p>		
2.8.8.1.	<p data-bbox="373 1065 940 1336"> <i>Accounting and Finance</i>                      Section 2.8.8.1 deals with the specific content of the professional accountancy education program delivered by your organization.                       Which of the following accounting, finance, and related knowledge subject areas are                 </p>	<p data-bbox="940 1065 1402 1336"> <input checked="" type="checkbox"/> 1 Financial accounting and reporting                 </p>	

Number	Question Title/Text/Help text	Answer	Comments
	required prior to qualification? Select all the answer options that are appropriate.	2 <input checked="" type="checkbox"/> Management accounting and control 3 <input type="checkbox"/> Control 4 <input checked="" type="checkbox"/> Taxation 5 <input checked="" type="checkbox"/> Business and commercial law 6 <input checked="" type="checkbox"/> Audit and assurance 7 <input checked="" type="checkbox"/> Finance and financial management 8 <input checked="" type="checkbox"/> Professional values and ethics 9 <input type="checkbox"/> None of the above	
2.8.8.2.	<i>Accounting and Finance Follow Up</i> For the accounting and finance subjects in question 2.10.8.1 that are not required by your organization, please explain the special conditions or reasons why they are not required.	The Education Committee is revising new curriculum for all level so as to make it equivalent to IFAC guidelines. Once the Committee approves it will be submitted to the Council for approval.	Under the MOU with the Chartered Accountants of India (ICAI), the subjects and curriculum of ICAI has been used for few years. Hence few subjects are not incorporated. However new curriculum is being prepared.
2.8.8.3.	<i>Organizational and Business Knowledge</i> Which of the following organizational and business knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Economics  2 <input checked="" type="checkbox"/> Business environment 3 <input checked="" type="checkbox"/> Corporate governance 4 <input checked="" type="checkbox"/> Business ethics	



Number	Question Title/Text/Help text	Answer	Comments
		5 <input checked="" type="checkbox"/> Financial markets 6 <input checked="" type="checkbox"/> Quantitative methods 7 <input checked="" type="checkbox"/> Organizational behavior 8 <input checked="" type="checkbox"/> Management and strategic decision making 9 <input type="checkbox"/> Marketing 10 International business and <input type="checkbox"/> globalization 11 None of the above <input type="checkbox"/>	
2.8.8.4.	<i>Organizational and Business Follow Up</i> For the organizational and business knowledge subjects in question 2.10.8.3 that are not required by your organization, please explain the special conditions or reasons why they are not required.	The curriculum is entirely based on the curriculum of the Institute of Chartered Accountants of India (ICAI) under an MOU for few years. However, the Education Committee is developing new curriculum as per the IFAC guideline.	
2.8.8.5.	<i>Information Technology</i> Which of the following information technology (IT) subject areas and competences are required prior to qualification? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> General knowledge of IT  2 <input checked="" type="checkbox"/> IT control knowledge 3 <input checked="" type="checkbox"/> IT control competences 4 <input checked="" type="checkbox"/> IT user competences 5 <input checked="" type="checkbox"/> One of, or a mixture of, the	

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		competences of, the roles of manager, evaluator or designer of information systems 6 <input type="checkbox"/> None of the above	
2.8.8.7.	<i>Additional Content by Requirement</i> Are there additional content requirements specified by law or regulation, or your organization?	1 <input checked="" type="checkbox"/> Yes, as required by law or regulation  2 <input type="checkbox"/> Yes, as determined to be necessary by our organization 3 <input type="checkbox"/> No	The Course is specified by Regulation. But the Council is authorised to change as and when felt necessary.
2.8.8.8.	<i>Additional Content - Describe</i> Describe the additional content required by law / regulation or determined to be necessary by your organization including whether this requirement applies to all professional accountants or those operating in public practice or employed in business.	The course is equally applicable to all professional accountants whether engaged in public practice or employed in business.	
2.9.	<b>IES 3 Professional Skills</b>		
2.9.1.	<i>Development of Intellectual Skills</i> Section 2.9 deals with the professional skills required by the professional accountancy education program delivered by your organization.  At what points in the professional	1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements	

Number	Question Title/Text/Help text	Answer	Comments
	<p>accountancy education program are intellectual skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 14.</p>	<p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content            3 <input checked="" type="checkbox"/> Through practical experience requirement            4 <input type="checkbox"/> Other (please describe)</p>	
2.9.2.	<p><i>Intellectual Skills</i> Describe the specific intellectual skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	<p>Through competency test on various subject related to the profession along with practical training in the firm practising accountants for three years.</p>	
2.9.3.	<p><i>Development of Technical and Functional Skills</i> At what points in the professional accountancy education program are technical and functional skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 15.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements            2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p>	

Number	Question Title/Text/Help text	Answer	Comments
		3 <input checked="" type="checkbox"/> Through practical experience requirement 4 <input type="checkbox"/> Other (please describe)	
2.9.4.	<i>Technical and Functional Skills</i> Describe the specific technical and functional skills candidates are required to have at the point of qualification and how these skills are assessed.	In addition to practical training as an articulated student in the firm of practising accountants, technical functional skill are tested through various examinations on the subject like Accounting, Auditing, IT, Management Accounting, MICS, Economics, Taxation, Corporate Law, Finance, Quantitative Techniques etc	
2.9.5.	<i>Development of Personal Skills</i> At what points in the professional accountancy education program are personal skills developed? Select all the answer options that are appropriate. In responding to this question IES 3 paragraphs 13 and 16.	1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements 2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content 3 <input checked="" type="checkbox"/> Through practical experience requirement 4 <input type="checkbox"/> Other (please describe)	
2.9.6.	<i>Personal Skills</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Describe the specific personal skills candidates are required to have at the point of qualification and how these skills are assessed.	<p>The Principals, who are practising Chartered Accountants, under whom the practical training is acquired should make a report about the performance of the student and submit to the Institute on periodical basis.</p> <p>On the completion of mandatory practical training period of three years, the principal is required to issue certificate indicating completion of the training to his satisfaction.</p>	
2.9.7.	<p><i>Dev of Interpersonal and Communication Skills</i></p> <p>At what points in the professional accountancy education program are interpersonal and communication skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 17.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	

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2.9.8.	<i>Interpersonal and Communication Skills</i> Describe the specific interpersonal and communication skills candidates are required to have at the point of qualification and how these skills are assessed.	The Chartered Accountancy students are expected to develop interpersonal and communication skills during their mandatory practical training period of three years under the guidance of their principal.	
2.9.9.	<i>Dev of Organizational and Business Mngt Skills</i> At what points in the professional accountancy education program are organizational and business management skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 18.	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.10.	<i>Organizational and Business Management Skills</i> Describe the specific organizational and business management skills candidates are required to have at the point of qualification and how these skills are assessed.	Reasonable working knowledge is imparted to the Chartered Accountancy students during at the first stage of professional	

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
		examination.	
2.10.	<b>IES 4 Professional Values, Ethics and Attitudes</b>		
2.10.1.	<i>Content for Values, Ethics and Attitudes</i> Section 2.10 deals with professional ethics, values, and attitude content and requirements of the professional accountancy education program delivered by your organization.  Does the professional accountancy education program include coverage of values, ethics and attitudes?	1 <input checked="" type="radio"/> Yes          2 <input type="radio"/> No	
2.10.2.	<b>Values, Ethics and Attitudes in Content</b>		
2.10.2.1.	<i>Program Content for Values, Ethics and Attitudes</i> Which of the following are included in the program content? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> The nature of ethics          2 <input checked="" type="checkbox"/> Differences of detailed rules-	Although ICAN has in place both rule based and framework based Code of Ethics based on IFAC Code of Ethics, differences between rules-based and framework approaches to ethics and their advantages and drawbacks have not been specifically spelt out.

Number	Question Title/Text/Help text	Answer	Comments
		based and framework approaches to ethics, their advantages and drawbacks	
3	<input checked="" type="checkbox"/>	Compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality	
4	<input checked="" type="checkbox"/>	Professional behavior and compliance with technical standards	
5	<input checked="" type="checkbox"/>	Concepts of independence, skepticism, accountability and public expectations	
6	<input checked="" type="checkbox"/>	Ethics and the profession: social responsibility	
7	<input checked="" type="checkbox"/>	Ethics and law, including the relationship between laws, regulations and the public interest	
8	<input checked="" type="checkbox"/>	Consequences of unethical behavior to the individual, to the profession and to society at large	
9	<input checked="" type="checkbox"/>	Ethics in relation to business and good governance	
10	<input checked="" type="checkbox"/>	Ethics and the individual professional accountant: whistle blowing, conflicts of	





Number	Question Title/Text/Help text	Answer	Comments
	ethics, attitudes and adherence to them developed? Select all the answer options that are appropriate.	<p>program entry requirements</p> <p>2<input checked="" type="checkbox"/> Through specific program course content</p> <p>3<input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4<input type="checkbox"/> Other (please describe)</p>	
2.11.	<b>IES 5 Practical Experience Requirement</b>		
2.11.1.	<p><i>Approved Provider</i></p> <p>Section 2.11 deals with the practical experience requirement established by your organization.</p> <p>Does the practical experience requirement have to be obtained with approved providers or employers?</p>	<p>1<input checked="" type="radio"/> Yes</p> <p>2<input type="radio"/> No</p>	
2.11.2.	<p><i>Provider Characteristics</i></p> <p>Please describe the characteristics set by your organization for recognizing approved providers.</p>	<p>Members in Practice</p> <p>Members in Business for specialized areas (Industrial training)</p>	<p>Students after completing two years of training with Members in Practice may go for One Year Industrial Training under Members in Business.</p>
2.11.4.	<i>Length of Practical Experience</i>		

Number	Question Title/Text/Help text	Answer	Comments
	What is the required length of pre-qualification practical experience? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Three years 2 <input type="radio"/> Less than three years 3 <input type="radio"/> More than three years	
2.11.6.	<b>Practical Application SMO 2</b>		
2.11.6.1.	<i>Practical Application</i> Where relevant graduate (beyond undergraduate, e.g., masters) professional education has a strong element of practical accounting application, may any portion of the professional education be contributed to the practical experience requirement?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	We do not provide any exemption to any candidate with higher academic qualification.
2.11.7.	<b>Timing of Experience</b>		
2.11.7.1.	<i>Pre or Post Qualification Experience</i> The practical experience for accountants may be obtained (select all the answer options that are appropriate):	1 <input type="checkbox"/> Before the professional accountancy education program of study 2 <input checked="" type="checkbox"/> At the same time as the professional accountancy education program of study 3 <input type="checkbox"/> After the professional accountancy education program of study	
2.12.	<b>IES 5 Monitoring of Practical Experience Requirement</b>		
2.12.1.	<i>Monitoring of Practical Experience</i> Is the period of practical experience	1 <input checked="" type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
	monitored?	2 <input type="radio"/> No	
2.12.3.	<i>Monitoring Practical Experience</i> How is the practical experience requirement (or practical application) monitored and assessed? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Mentoring system  2 <input type="checkbox"/> Approved training employers and organizations 3 <input type="checkbox"/> Self-declaration required from the candidate 4 <input checked="" type="checkbox"/> Record of the practical experience is kept and submitted to the member body when applying for membership 5 <input checked="" type="checkbox"/> An assessment is made by the mentor or employer 6 <input type="checkbox"/> Other (please describe)	
2.14.	<b>IES 7 Continuing Professional Development - CPD</b>		
2.14.1.	<i>Responsibility for CPD Requirements</i> Section 2.14 deals with the continuous professional development requirements established by your organization.  Who establishes the continuous professional development requirements applicable to your members? Select all the answer options	1 <input checked="" type="checkbox"/> Our organization	Nepal Chartered Accountants Regulation 2003

Number	Question Title/Text/Help text	Answer	Comments
	that are appropriate.	<p>2 <input type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body)</p> <p>3 <input checked="" type="checkbox"/> Law and / or regulation (state the name of the law / regulation)</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.14.2.	<p><i>CPD and Professional Accountants</i></p> <p>Which membership categories are required to maintain professional competence through continuous professional development? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> All our qualified members</p> <p>2 <input checked="" type="checkbox"/> Qualified members who perform audits of listed entities</p> <p>3 <input checked="" type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p>4 <input type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p>5 <input checked="" type="checkbox"/> Qualified members who are employed in business</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	<p>The ICAN members employed in business/government offices involved in audit profession are required to have CPE.</p>
2.14.3.	<b>Requirement - CPD</b>		
2.14.3.1.	<i>Type of CPD Requirement</i>		

Number	Question Title/Text/Help text	Answer	Comments
	<p>Which of the following answer options describes the way the continuous professional development is structured? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Members must satisfy a number of hours of continuous professional development a year or over a number of years</p> <p>2 <input type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>3 <input type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>4 <input type="checkbox"/> Other</p>	
2.14.3.3.	<p><i>Hours of Continuous Professional Development</i></p> <p>Which one of the following answer options best describes the continuous professional development hours required?</p>	<p>1 <input type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period.</p> <p>2 <input type="radio"/> Members have to complete a minimum of 20 hours or equivalent learning units in</p>	<p>Members involved in audits must complete at least 10 hours of CPE requirement each year.</p>

Number	Question Title/Text/Help text	Answer	Comments
		each year 3Ⓐ Other	
2.14.3.4.	<i>Other Hours Follow Up</i> Describe the continuous development hours required by members.	10 Hours per year	
2.14.3.8.	<i>Monitoring of CPD</i> Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements?	1Ⓐ Yes, there is a monitoring process for CPD requirements 2Ⓐ No, there is no monitoring process for CPD requirements	
2.14.4.	<b>Monitoring of CPD Requirement</b>		
2.14.4.1.	<i>Monitoring Process SMO 2</i> Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.	1Ⓐ Professional accountants are required to submit a declaration 2☑ Professional accountants are required to submit evidence 3Ⓐ Our organization audits a sample of professional accountants to check compliance 4Ⓐ Compliance is monitored through firm quality control standards 5Ⓐ Compliance is monitored through a quality assurance	

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		<p>review program</p> <p>6 <input type="checkbox"/> Other (please describe)</p> <p>7 <input type="checkbox"/> None of the above</p>	
2.14.4.3.	<p><i>Sanctions SMO 2</i></p> <p>Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or denial of the right to practice, imposed?</p>	<p>1 <input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed</p> <p>2 <input type="radio"/> No, sanctions or other non-compliance actions are not imposed</p>	
2.14.4.4.	<p><i>Sanction Types and CPD</i></p> <p>Describe the nature and extent of the sanction, expulsions or denial of the right to practice.</p>	The Certificate of Practice is suspended till the completion of required CPE Hours.	
2.15.	<p><i>Activities to Promote IESs SMO 2</i></p> <p>Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.</p>	Our Education Committee is in process of revising curriculum based on the pronouncements issued by IFAC's International Accounting Education Standards Board. The CPE Committee designs courses for professional training to be imparted to the members considering recent	



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		developments in the economy and finance, laws, Standards, and IFAC IES.	
3.	<b>SMO 3</b>		
3.1.	<p><i>Auditing Standards in Law/Regulation</i> Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p>	<p>1 <input checked="" type="checkbox"/> Yes for audits of listed entities</p> <p>2 <input checked="" type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input type="checkbox"/> No for audits of listed entities</p>	As specified in the Nepal Chartered Accountants Act, 1997

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		4 <input type="checkbox"/> No for audits of non-listed entities	
3.8.	<b>Law/Reg and Auditing Standards</b>		
3.8.1.	<i>Law/Reg Auditing Standards - Private Sector</i> Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities?	1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of standards 2 <input type="radio"/> The auditing standards for listed entities and non-listed entities are not the same set of standards	
3.8.2.	<i>Auditing Standards for Private Sector</i> Does the law/regulation require the use of IAASB pronouncements? Select the answer option that is most appropriate.	1 <input type="radio"/> The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements) 2 <input type="radio"/> The law/regulation contains the full text of each IAASB pronouncement 3 <input type="radio"/> The law/regulation contains the basic principles and essential procedures of the IAASB pronouncement 4 <input checked="" type="radio"/> The law / regulation has a	Auditing Standards Board/Nepal pronounces Nepal Auditing Standards based on the pronouncement of IAASB with minimal deviations.

Number	Question Title/Text/Help text	Answer	Comments
		requirement to use IAASB pronouncements using another approach (please describe) 5 <input type="radio"/> The law / regulation requires the use of national standards with no reference to IAASB pronouncements	
3.8.9.	<i>MB Responsibilities and IAASB SMO 3</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Develop other authoritative pronouncements  2 <input type="checkbox"/> Promulgate the IAASB pronouncements established by law / regulation (e.g. by publishing or communicating the standards to the public) 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	The Council adopts and pronounces for mandatory compliance from members and develops guidance notes.
3.8.10.	<i>Authoritative Pronouncements and Law/Reg SMO 3</i> Please state the name of the other authoritative pronouncements and describe their purpose.	The Standards pronounced by Auditing Standards Board are adopted by our organization for mandatory use by members. Also it publishes the guidance notes on Standards	



Number	Question Title/Text/Help text	Answer	Comments
3.9.2.	<p data-bbox="373 337 940 402"><i>Incorporation Description - Law/Reg SMO 3</i></p> <p data-bbox="373 402 940 602">If information about IAASB pronouncements that have been established into law / regulation is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p data-bbox="373 646 940 922">If this information is not available, refer to the <a href="#">SMO 3 Comparison with IAASB Pronouncements.doc</a>&gt;SMO 3: Comparison with IAASB Pronouncements&lt;/a&gt; report by clicking on the link and complete it to the extent your organization is able to and submit it in Word format to Compliance Staff.</p> <p data-bbox="373 959 940 1089">Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p>	<p data-bbox="940 402 1402 537">1 <input type="radio"/> Yes, information is available and in English and will be submitted to Compliance Staff</p> <p data-bbox="940 1089 1402 1367">2 <input type="radio"/> No, information is not available; however our organization or jointly with another IFAC member / associate will complete the "SMO 3: Comparison with IAASB Pronouncements" report and submit it to</p>	

Number	Question Title/Text/Help text	Answer	Comments
		Compliance Staff 3⓪ No, information is not available	
3.10.	<b>Translation SMO 3</b>		
3.10.1.	<i>Translation of IAASB Pronouncements</i> Are the IAASB pronouncements translated into a national language?	1⓪ No as English is the national language or a widely spoken language 2⓪ Yes, the IAASB pronouncements are translated 3⓪ No and English is not an official language or is not widely spoken	English is widely spoken.
3.10.6.	<i>Translation Follow Up SMO 3</i> Explain why IAASB pronouncements are not translated (include information about specific impediments and challenges).	English is widely spoken.	
3.11.	<i>Activities to Promote IAASB Pronouncements</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.	The course syllabus of chartered accountancy education of the Institute includes the International Accounting Standards and International Standards on Auditing.  Often the Institute organizes	

Number	Question Title/Text/Help text	Answer	Comments
		workshops on International Accounting Standards and Nepal Accounting Standards to students, members, regulating authorities.	
4.	<b>SMO 4</b>		
4.1.	<b>Responsibility and National Ethical Requirements</b>		
4.1.1.	<p><i>IFAC MB and Ethical Requirements</i> Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members?</p> <p><b>Help text:</b> In some countries, ethical requirements may be established on a regional, provincial, or state basis. Where this is the case in your country for the ethical requirements that apply to your members, please contact Compliance Staff for further instruction.</p>	<p>1 <input checked="" type="radio"/> Yes, our organization does establish ethical requirements</p> <p>2 <input type="radio"/> No, our organization does not establish ethical requirements</p>	
4.1.2.	<p><i>IFAC MB and Convergence with IFAC Code</i> Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
4.1.9.	<p><i>IFAC MB Approach to Ethics</i> Which of the following options best describes your organization's activities to</p>	<p>1 <input type="radio"/> Our organization adopted the IFAC Code as issued without</p>	

Number	Question Title/Text/Help text	Answer	Comments
	<p>incorporate the IFAC Code?</p> <p>For the purposes of the Part 2 SMO 4 module, modifications include: Deletion/omission of concepts, principles, or guidance that are established in the IFAC Code; Inclusion of concepts, principles, or guidance that are not in the IFAC Code; Other amendments that give rise to differences between your organization's ethical requirements and the IFAC Code.</p>	<p>modifications</p> <p>2Ⓐ Our organization adopted the IFAC Code but with modifications</p> <p>3Ⓐ Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p> <p>4Ⓐ Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics</p>	
4.1.10.	<p><i>IFAC MB and Code - Eliminate Differences</i> Describe the process used to adopt the IFAC</p>	<p>There is a Code of Ethics</p>	



<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
	Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code.	Committee under the Council which prepares the Code of Ethics to be complied by members and becomes mandatory once Council adopts it.	
<b>4.2.</b>	<b>MB and Version of IFAC Code</b>		
4.2.1.	<i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?	<p>1 <input type="radio"/> The IFAC Code currently in effect, revised and issued in June 2004</p> <p>2 <input checked="" type="radio"/> A version issued prior to 2004</p> <p>3 <input type="radio"/> The revised IFAC Code issued and in effect June 30, 2006</p>	
4.2.2.	<i>Version Pre 2004 Follow Up SMO 4</i> Please explain why the IFAC Code that is currently in effect has not been adopted or incorporated. Provide information about special conditions, challenges, or impediments relevant to this matter.	The Code of Ethics Committee is issuing Directives under the Code of Ethics in series. Once the Directives are complete the Institute plans to apply the current code of Ethics pronounced by IFAC.	
4.2.3.	<i>MB and Revised Code</i> Does your organization have plans to adopt the revised IFAC Code (effective June 30, 2006) or revise your ethical requirements to	1 <input type="radio"/> Our organization has already amended our ethical requirements for the revised	

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
	incorporate the revised IFAC Code? Select the option that is the most relevant.	<p>IFAC Code (effective June 30, 2006)</p> <p>2Ⓐ Our organization is in the process of amending or has included a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>3Ⓐ Our organization currently has not included in our work program a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>4Ⓐ Other (please describe)</p>	
4.2.5.	<i>MB and Revision Plans</i> Please describe the work program timetable.	The target to comply the new Code of Ethic of IFAC is July 16, 2007.	
4.3.	<i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?	<p>1Ⓐ Yes</p> <p>2Ⓐ No</p>	Some of the Codes are separately mentioned in Nepal Chartered Accountants Act, 1997 and The Company Ordinance, 1006
4.4.	<b>Gov / Reg Bodies and Ethical Requirements</b>		

Number	Question Title/Text/Help text	Answer	Comments
4.4.1.	<p><i>Gov/Reg Bodies - Ethical Requirements</i> Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants</p> <p>2 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities</p> <p>3 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit entities other than listed entities</p> <p>4 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or other entities)</p> <p>5 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical</p>	

Number	Question Title/Text/Help text	Answer	Comments
		requirements for professional accountants employed in business 6 <input type="checkbox"/> None of the above	
4.4.3.	<i>Describe Law / Reg - Prof Accountants</i> Regarding your response to question 4.4.1 and the law / regulation for professional accountants, please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out the scope of professional accountants that it applies to.	The Nepal Chartered Accountants Act, 1997, The Company Ordinance, 2006, Auditing Standards	
4.4.4.	<i>Describe Law / Reg - Audit</i> Regarding your response to question 4.4.1 and professional accountants who audit listed entities and / or other entities, please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out the scope of professional accountants that it applies to.	Nepal Chartered Accountants Act 1997, Nepal Chartered Accountants Regulation, 2004 Code of Conduct, 2002 Company Ordinance 2003 Nepal Chartered Accountants Act 1997 has briefly describes the expected conduct of auditors. The Nepal Chartered Accountants Regulation, 2004 describes few codes of conduct and has delineated the process of hearing in failure of complying with the Code of	

Number	Question Title/Text/Help text	Answer	Comments
		<p>Conduct 2002. The Company Ordinance describes additional disclosures that a auditor has to make in audit reports and also included few additional codes which are not expected by the auditors and</p>	
4.4.5.	<p><i>Describe Law / Reg - Other Services</i> Regarding your response to question 4.4.1 and professional accountants who provide services to the public (other than as auditors or listed or other entities) please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p>	<p>The Code of Conduct issued by the Institute has codes to be complied by professional accountants other than auditors.</p>	
4.4.6.	<p><i>Describe Law / Reg - Employed</i> Regarding your response to question 4.4.1 and professional accountants who are employed in business, please: State the law / regulation's name; Provide a general description of the law / regulation Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p>	<p>The Code of Conduct issued by the Institute has codes to be complied by professional accountants other than auditors.</p>	

Number	Question Title/Text/Help text	Answer	Comments
4.4.7.	<p><i>Gov/Reg and Convergence</i> Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.</p>	<p>The Code of Conduct issued by the Institute is based on the Code of Ethics (old version) issued by IFAC. The recent issued Code is widely being discussed in the relevant committee and with members in order to improvise the Code of Conduct published by the Institute in line with IFAC.</p>	
4.5.	<p><i>Comparison of Requirements SMO 4</i> Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements; Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements; Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not addressed in the IFAC Code.</p>	<p>1 <input checked="" type="radio"/> Yes, our organization has this information and it will be submitted</p>	

Number	Question Title/Text/Help text	Answer	Comments
	<p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p>	<p>2○ This information will be submitted by another IFAC member body</p> <p>3○ No, the information is not available</p>	
4.11.	<p><i>Translation of IFAC Code</i> Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.</p>	<p>1□ No, as English is an official language or widely spoken language</p> <p>2□ Yes, our organization has translated the IFAC Code</p> <p>3□ Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4☑ No, the IFAC Code has not been translated and English is not an official language or widely spoken language</p>	English is widely spoken language
4.13.	<p><i>Translation and Follow Up</i> Explain the reasons why the IFAC Code was not translated including information about</p>	The present Code of Ethics is prepared based on the IFAC Code	

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
	specific challenges or impediments.	prior to 2004. It is translated in Nepali.	
4.15.	<i>Activities to Promote IFAC Code of Ethics</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.	It is included in the Chartered Accountancy education Courses.	
5.	<b>SMO 5</b>		
5.1.	<i>Public Sector Accounting Standards - Objective</i> Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?	1 <input type="radio"/> Yes  2 <input checked="" type="radio"/> No 3 <input type="radio"/> Information is not available or not known	
5.2.	<b>IPSASs Convergence Follow Up</b>		
5.2.1.	<i>Public Sector Accounting Standards - Cash/Accrual</i> Do the national public sector accounting standards require financial statements to be prepared on a cash basis or accrual basis?	1 <input type="radio"/> Cash	All transactions are based on cash basis. But there are certain formats which have to be used which made the public sector accounting as



Number	Question Title/Text/Help text	Answer	Comments
		<input type="radio"/> Accrual <input checked="" type="radio"/> Both cash and accrual are permitted	"Modified Cash Basis".
5.2.2.	<p><i>Convergence Plans Follow Up SMO 5</i></p> <p>Does the government have plans to converge national public sector accounting standards with IPSASs?</p>	<input checked="" type="radio"/> Yes  <input type="radio"/> No <input type="radio"/> Information is not available or not known	The dialogues are on with the Financial Comptroller General, Auditor General and Ministry of Finance in this regards.
5.2.3.	<p><i>Describe Plans Follow Up SMO 5</i></p> <p>Describe the government's plans to converge national public sector accounting standards with IPSASs.</p>	There is no plan currently.	
5.4.	<p><i>Activities to Promote IPSASB Pronouncements</i></p> <p>Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.</p>	There is no Public Sector Accounting Standard in Nepal. However, the Institute has started dialogue with the government initiate for such standards.	

Number	Question Title/Text/Help text	Answer	Comments
6.	<b>SMO 6</b>		
6.1.	<i>Investigation and Discipline Program</i> In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	
6.3.	<b>Responsibility for Investigation and Discipline</b>		
6.3.1.	<i>Body Responsible for Investigation and Discipline</i> Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Yes, our organization has this responsibility  2 <input type="radio"/> No, responsibility for investigation and discipline rests solely with an external body  3 <input type="radio"/> Our organization shares responsibility for investigation and discipline with an external body	

Number	Question Title/Text/Help text	Answer	Comments
		4○ Other	
6.5.	<b>SMO 6 - Detailed Assessment</b>		
6.5.1.	<b>Rules and Procedures for Investigation and Discipline</b>		
6.5.1.1.	<i>Rules and Procedures</i> Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?	1⊙ Yes  2○ No	
6.5.1.3.	<i>Misconduct</i> In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.	1☑ Criminal activity  2☑ Acts or omissions likely to bring the accountancy profession into disrepute 3☑ Breaches of professional standards 4☑ Breaches of ethical requirements 5☑ Gross professional negligence 6☑ A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights 7☐ Unsatisfactory work	

Number	Question Title/Text/Help text	Answer	Comments
		8 <input type="checkbox"/> Other (please describe)	
6.5.2.	<i>Types of Sanctions</i> Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Reprimand  2 <input checked="" type="checkbox"/> Loss or restriction of practice rights 3 <input type="checkbox"/> Fine/payment of costs 4 <input type="checkbox"/> Loss of professional title (designation) 5 <input type="checkbox"/> Exclusion from membership 6 <input type="checkbox"/> Other (please describe)	The ICAN Disciplinary Committee makes determinations on these issues.
6.5.3.	<b>Provision of Information and Guidance to Members</b>		
6.5.3.1.	<i>Information and Guidance</i> Does your organization make each member fully aware of:  - All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and - Consequences of non-compliance?	1 <input checked="" type="radio"/> Yes          2 <input type="radio"/> No	
6.5.3.2.	<i>Information and Guidance Description</i> Provide a brief description of how your	The Nepal Chartered Accountants	

Number	Question Title/Text/Help text	Answer	Comments
	organization meets this requirement of SMO 6.	Act has provided for an independent Disciplinary Committee which is bestowed with semi-judiciary authority to hear on cases of professional misconduct.	
<b>6.5.4.</b>	<b>Obligations to Report to Outside Bodies</b>		
6.5.4.1.	<i>Reporting to Outside Bodies</i> Is your organization obligated under local laws to report possible involvement in serious crimes and offences by its individual members or member firms to the appropriate public authority and disclose related information to that authority?	1 <input type="radio"/> Yes  2 <input checked="" type="radio"/> No	
6.5.4.2.	<i>Reporting to Outside Bodies Follow Up</i> Please describe your plans to introduce an obligation or requirement to report possible involvement in serious crimes and offences by individual members or member firms to the appropriate public authority and disclose related information to that authority.	There are no such plans for the near future.	
6.5.5.	<i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and discipline proceedings? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Information-based  2 <input checked="" type="checkbox"/> Complaints-based	

Number	Question Title/Text/Help text	Answer	Comments
		3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
6.5.6.	<b>Investigative Powers and Processes</b>		
6.5.6.1.	<i>Powers</i> Does your organization have all required powers so that authorized personnel can carry out an effective investigation?	1 <input checked="" type="radio"/> Yes  2 <input type="radio"/> No	
6.5.6.3.	<i>Cooperation of Members</i> Do the powers to carry out an effective investigation include: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> A requirement for members (and member firms) to co-operate in the investigation of complaints and to respond promptly to all communications from the member body 2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply 3 <input type="checkbox"/> None of the above	
6.5.6.6.	<i>Expertise and Resource</i> Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action?	1 <input checked="" type="radio"/> Yes (please describe)	If needed members, as identified by the Disciplinary Committee, are requested to further investigate and report to the Committee. The resources are provided as per the decision of the

Number	Question Title/Text/Help text	Answer	Comments
		2○ No	Disciplinary Committee.
6.5.6.8.	<p><i>Independence and Subject of Investigation</i> Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p><b>Help text:</b> If a conflict exists at the start of an investigation, or arises during the investigation, the chosen individual should immediately withdraw. Similar considerations apply equally to anyone else connected with the investigation and hearing of cases.</p>	<p>1⊙ Yes</p> <p>2○ No</p>	It is a practice to confirm that the member chosen is not an interested party.
6.5.6.10.	<p><i>Infrastructure</i> Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.</p>	<p>1⊙ One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2○ A single committee/panel to conduct the investigation and administer disciplinary</p>	The Disciplinary Committee is responsible for investigation and hear the complaints and suggest the mode of action to the Council. The Council is the ultimate authority to administer the actions.

Number	Question Title/Text/Help text	Answer	Comments
		action. 3○ Other	
6.5.6.12.	<i>Independent Review</i> Has your organization established and does it maintain a process for the independent review of complaints by clients and others where it has been decided by the investigation committee that the matter will not be referred to a disciplinary hearing?	1⊙ Yes  2○ No	
6.5.7.	<b>The Disciplinary Process</b>		
6.5.7.1.	<i>Composition of Tribunal</i> Does the tribunal responsible for the disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	1⊙ Yes (please describe)  2○ No	By Act, one independent member of the Disciplinary Committee is deputed by the Office of the Auditor General. He/she needs not to be an accountant.
6.5.7.3.	<i>Conflicts</i> Are members of the investigation committee or the disciplinary tribunal permitted to serve on both at the same time, or in relation to the same case?	1⊙ Yes  2○ No	
6.5.7.4.	<i>Conflicts Follow Up</i> What plans do you have for introducing	The recent investigation teams	



Number	Question Title/Text/Help text	Answer	Comments
	<p>requirements to prevent an individual from serving as a member on both the investigation committee and the disciplinary tribunal or serving in relation to the same case, or if you do not have those plans, what special reasons or conditions for that fact exist?</p>	<p>comprise of professional members out of the Disciplinary Committee. However, to link the investigation works with the Committee, the investigation teams are led by a Committee member.</p>	
6.5.7.5.	<p><i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.</p>	<p>The Disciplinary Committee is a Standing Committee as described by the Act. It is headed by a FCA Council Member. The members of this Committee cannot be members of other Standing Committee. As per the Act, the President and Vice President are defacto Chairmen and Vice Chairmen of other Standing Committees Except Disciplinary Committee. It hold semi judiciary authorities. Its decision can only be challenged in the Appellate Court.</p>	<p>The Regulation has provided the Committee to set up its own course of actions in investigating any case.</p>
6.5.7.6.	<p><i>Appeals Process</i> Does your organization's rules:  Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Permit a qualified lawyer or other person chosen by the defendant to accompany and represent the defendant at all disciplinary hearings and to advise him or her throughout</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>the investigative and disciplinary process</p> <p>2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that convicted the defendant, pending the hearing of that appeal</p> <p>4 <input checked="" type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal</p> <p>6 <input type="checkbox"/> None of the above</p>	
6.5.7.7.	<p><i>Appeals Process Follow Up</i> Please explain why your organization has not established the rules that were not selected.</p>	<p>a. The convicted can only appeal in the Appellate Court. If Court orders to suspend it shall be done automatically. Otherwise, there are not any rules that permit any order</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>to be suspended.</p> <p>b. It is not necessary that same procedures be applied because the Nepal Chartered Accountants Act has empowered the Committee to adopt any suitable way to investigate the cases.</p>	
6.5.8.	<b>Administrative Processes</b>		
6.5.8.1.	<p><i>Elements of Administrative Processes</i></p> <p>As a part of Investigation and Discipline administrative processes does your organization:</p> <p>Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Establish time limits for disposal (completion) of all cases</p> <p>2 <input checked="" type="checkbox"/> Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage</p> <p>3 <input type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p> <p>4 <input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence</p> <p>5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings</p> <p>6 <input type="checkbox"/> None of the above</p>	
6.5.8.2.	<p><i>Elements of Administrative Processes</i> <i>Follow Up</i> Please explain why your organization has not established the administrative processes that were not selected.</p>	<p>The Council members during the time of officiating have to take the oath of office which include the confidentiality. Similarly, the employees having access to the files have to take oath, which includes the oath of confidentiality as well, before joining the Office. As per the Administrative Procedure Byelaw, the employees could be charged, if evidence is found, in if found leaking the information.</p>	

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
6.5.8.3.	<b>Case Numbers</b>		
6.5.8.3.1.	<i>2005 Heard Case Numbers</i> Indicate the number of cases heard in 2005.	11	<p>Heard cases 32 completed 12 Criminal Activity - None Acts or omissions likely to bring the accountancy profession into disrepute -2 Breaches of professional standards - 3 Breaches of ethical requirements - 14 Gross professional negligence - 6 Non-compliance with CPD requirements - None A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights - 7</p>
6.5.8.3.2.	<i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004.	10	
6.5.8.3.3.	<i>2003 Heard Case Numbers</i> Indicate the number of cases heard in 2003.	2	
6.5.8.3.4.	<i>2005 Completed Case Numbers</i>		

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
	Indicate the number of cases completed in 2005.	6	
6.5.8.3.5.	<i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004.	1	
6.5.8.3.6.	<i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003.	0	
6.5.8.3.7.	<i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings.	5	
<b>7.</b>	<b>SMO 7</b>		
7.1.	<i>Accounting Standards in Law/Regulation</i> Does law or regulation establish the set of accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.  Where the law / regulation establishes the	1 <input checked="" type="checkbox"/> Yes, for financial statements of listed entities	

Number	Question Title/Text/Help text	Answer	Comments
	<p>accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p>	<p>2 <input checked="" type="checkbox"/> Yes, for financial statements of non-listed entities</p> <p>3 <input type="checkbox"/> No, for financial statements of listed entities</p> <p>4 <input type="checkbox"/> No, for financial statements of non-listed entities</p>	
7.8.	<b>Law/Reg and Accounting Standards</b>		
7.8.1.	<p><i>Law/Reg Accounting Standards - Private Sector</i></p> <p>Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input checked="" type="radio"/> The accounting standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The accounting standards for listed entities and non-listed entities are not the same set</p>	

Number	Question Title/Text/Help text	Answer	Comments
7.8.2.	<p><i>Accounting Standards for Private Sector</i> Does the law/regulation require the use of International Financial Reporting Standards and other pronouncements issued by the International Accounting Standards Board? Select the answer option that is most appropriate.</p>	<p style="text-align: center;">of standards</p> <p>1 <input type="radio"/> The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)</p> <p>2 <input type="radio"/> The law/regulation contains the full text of each IFRS</p> <p>3 <input type="radio"/> The law/regulation contains the main principles of the IFRSs</p> <p>4 <input checked="" type="radio"/> The law / regulation has a requirement to use IFRSs using another approach (please describe)</p> <p>5 <input type="radio"/> The law / regulation requires the use of national standards with no reference to IFRSs</p>	<p>The Income Tax Act 2000, The Company Ordinance and Banking and Financial Institution Act refers to the national accounting standards and states that IFRS shall be referred for the areas where national standards do not cover.</p>
7.8.9.	<p><i>MB Responsibilities and IASB SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> Develop other authoritative pronouncements</p>	<p>The accounting standards are authoritatively developed by the Nepal Accounting Standards Board. As per the Act, the Institute (ICAN) adopts and pronounces for</p>



Number	Question Title/Text/Help text	Answer	Comments
		2 <input type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public) 3 <input checked="" type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	mandatory compliance.
7.8.11.	<i>Describe Activities and Law/Reg SMO 7</i> Describe your organization's activities for promulgating and / or implementing the standards.	As per the Act, the Institute (ICAN) adopts and pronounce the standards issued by the Accounting Standards Board for mandatory compliance and monitor its compliance status.	
7.9.	<b>Law/Reg and IASB Pronouncements</b>		
7.9.1.	<i>Incorporation into Law/Reg SMO 7</i> Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:  IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement established into law / regulation is the version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IFRS or IASB	1 <input type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
	<p>pronouncement; The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and The reasons for the differences?</p>	<p>2Ⓞ No</p>	
<p>7.9.2.</p>	<p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the <a href="#">SMO 7 Comparison with IASB Pronouncements.doc</a> SMO 7: Comparison with IASB Pronouncements report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p>	<p>1Ⓞ Yes, information is available and in English and will be submitted to Compliance Staff</p> <p>2Ⓞ No, information is not available; however our organization or jointly with another IFAC member /</p>	<p>Our company Act mentions to follow the GAAP and Nepal Accounting Standards &amp; Nepal Standards on Auditing follows the GAAP. However Accounting and Auditing Standard boards are working for minor modification to adjust in terms of Nepalese context to meet the local context.</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>associate will complete the "SMO 7: Comparison with IASB Pronouncements" and submit it to Compliance Staff</p> <p>3 <input checked="" type="radio"/> No, information is not available</p>	
7.10.	<b>Translation SMO 7</b>		
7.10.1.	<p><i>Translation of IFRSs</i></p> <p>Are the IFRSs and other IASB pronouncements translated into national language?</p>	<p>1 <input checked="" type="radio"/> No, as English is an official language or widely spoken language</p> <p>2 <input type="radio"/> Yes, the IFRSs are translated</p> <p>3 <input type="radio"/> No and English is not an official language or is not widely spoken</p>	English is not an official language but widely spoken.
7.11.	<p><i>Promotion Activities SMO 7</i></p> <p>Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.</p>	The Institute every year organizes programmes nationally or regionally on IFRS and IAS.	
8.	<b>Certification of Chief Executive</b>		
8.1.	<p><i>Complete Certification</i></p> <p>Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click <a href="Part 2 SMO Self Assessment Certification.doc">here</a> to download a</p>	<p>1 <input checked="" type="checkbox"/> Yes, the Certification of Chief Executive has been submitted</p>	

<b>Number</b>	<b>Question Title/Text/Help text</b>	<b>Answer</b>	<b>Comments</b>
	copy of the Certification form.	2□	