



Code of Ethics Implementation Directives



**Office of the Auditor General
Anamnagar, Kathmandu, Nepal
2023**

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Foreword

It is my immense pleasure to release the Code of Ethics Implementation Directives of the Office of the Auditor General of Nepal. This directives will be applicable in undertaking respective financial, compliance, performance audits of the entities as per the Audit Act, 2075.

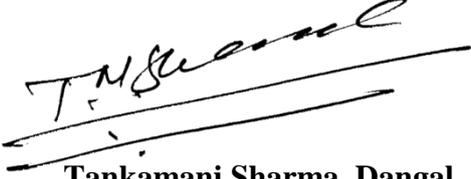
This directives provides a clear picture of legal provisions, fundamental ethical values, guidance and monitoring mechanism. The audit staff is required to comply with in imparting their duties. It has been built around the prevailing Audit Act, Nepal Government Auditing Standards (NGASs), and office policies that require conducting a high-quality audit. Since NGASs are based on INTOSAI framework for Professional Pronouncement (IFPP), this directives seeks to incorporate the Nepal audit practices at par with the international best practices.

This directives provides guidance and direction in all phases of the audit from pre-panning to follow-up including financial, compliance and performance audit concepts, prerequisites, pre-engagement, planning, execution, reporting, follow-up, audit quality control which encourages professional judgment where it requires. The directives does not override the legal requirements and conditions of NGASs. Likely, it shall not limit the professionalism of the officials entrusted with the responsibility of conducting audits.

Our knowledge, skill, and experience with auditing practices continue to evolve, and so will this directives. This directives is expected to be updated for the continuous improvement of audit practices to meet legal provisions, audit standards, and practices to address emerging risks.

My special thanks to all staffs who prepared the directives and provided their valuable feedback and comments to make this directives implementable which, I do hope, will be of use to conduct audits efficiently and effectively.

May 15, 2023



Tankamani Sharma, Dangal
Auditor General

List of abbreviations

Abbreviation	Full form
IFPP	INTOSAI Framework of Professional Procurement
INTOSAI	International Organization of Supreme Audit Institutions
ISQC	International Standard on Quality Control
ISSAI	International Standards of Supreme Audit Institutions
OAGN	Office of Auditor General Nepal
PA	Performance Audit
PAC	Public Accounts Committee
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Strategy/Program
RBA	Risk Based Approach
SAI	Supreme Audit Institution
SAI PMF	Supreme Audit Institution Performance Management Framework

Table of Contents

Background.....	1
Legal Provisions	2
International Best Practices	3
CODE OF ETHICS.....	4
Preamble.....	4
Chapter 1 - Preliminary	5
Chapter 2 - Approach to Ethical Values	6
Chapter 3 - Managing Ethics	8
Chapter 4 - Fundamental Ethical Values.....	10
Chapter 5 – Miscellaneous.....	14
Annexures	15
Annexure 1 – Annual Code of Ethics Declaration for Auditors	15
Annexure 2 – Annual Code of Ethics Declaration for Staff	16
Annexure 3 – Annual Code of Ethics Declaration for Quality Assurance Team	17
Annexure 4 – Monitoring Criteria for Compliance of Code of Ethics.....	18

Background

A Code of Ethics is a comprehensive statement of the values and principles that shall guide the conduct of members of staff in an organisation. All public servants in Nepal are expected to perform their work with integrity and honesty, but this is particularly important to public sector auditors. It should, rightly, be expected that public sector auditors, as a cornerstone in enforcing good governance, transparency, accountability and integrity in the public sector, serves as role models when it comes to the manner in which they conduct their work.

The independence, powers and responsibilities of the public sector auditor place high ethical demands on the Office of Auditor General of Nepal and the staff that we employ or engage for audits. This Code of Ethics, therefore, considers the ethical requirements for Nepali civil servants in general and the particular requirements of the Office of Auditor General of Nepal staff, including their professional obligations.

The Office of Auditor General of Nepal, Code of Ethics is based on the universally accepted INTOSAI Code of Ethics (ISSAI-130) but has been adapted to the Nepali environment. In addition to following this Code of Ethics, the behaviour and conduct of staff is further regulated by prevalent public service regulations¹.

The Office of Auditor General of Nepal Code of Ethics is directed at all individual auditors (regardless of whether they are financial, performance, compliance or other specialised auditors), all audit managers and all other individuals working for or on behalf of the Auditor General who are in any way involved in audit work.

The principles and rules in this Code of Ethics, shall also, as far as possible apply to other members of staff in the Office of Auditor General of Nepal who do not have audit duties.

The conduct of public sector auditors should be beyond reproach at all times and in all circumstances. Any deficiency in their professional conduct or any improper conduct in their personal life's places the integrity of auditors, the Office of Auditor General of Nepal, the auditing profession and the quality and validity of their audit work in an unfavourable light. This can in turn raise doubts concerning the reliability and competence of the Office of Auditor General of Nepal. The adoption and application of this Code of Ethics aims to influence and positively reinforce the auditors conduct and behaviour, thereby promoting trust and confidence in the Office of Auditor General of Nepal's auditors and their work.

It is of fundamental importance that the Office of Auditor General of Nepal is looked upon with trust, confidence and credibility. The Office of Auditor General of Nepal's auditors will promote this by adopting and applying the ethical requirements of the concepts embodied in the key words Integrity, Independence and Objectivity, Confidentiality and Competence.

Any breach of the Office of Auditor General of Nepal, Code of Ethics, whether caused by a deliberate act or negligence, shall lead to the auditor being disciplined for his or her actions.

¹ Public Service Personnel Conduct Regulations 2065

Legal Provisions

The auditors of the Office of Auditor General of Nepal being a part of the public service are also governed by public service regulations. These regulations² provide for the conduct of the auditors while in service. Furthermore, certain provisions are applicable post service as well.

Legal provisions³ give mandate to the Auditor General to issue standards and directives relating to audit, based on international standards and best practices, for the purpose of making the audit objective, credible and reliable. Since there is a need for auditors to adhere to high standard of behaviour and conduct a separate Code of Conduct is the issued by the Office of Auditor General of Nepal.

² Public Service Personnel Conduct Regulation 2065

³ Section 29 of the Audit Act, 2075

International Best Practices

Lima Declaration of Guidelines on Auditing Precepts serves as the foundation of the INTOSAI Code of Ethics. According to the Lima Declaration “the members and the audit staff of Supreme Audit Institutions shall have the qualifications and moral integrity required to completely carry out their tasks”⁴. INTOSAI has deemed it essential to establish an international Code of Ethics for auditors in the public sector.

A Code of Ethics is a comprehensive statement of the values and principles which should guide the daily work of auditors. The independence, powers and responsibilities of the public sector auditor place high ethical demands on the SAI and the staff they employ or engage for audit work. A code of ethics for auditors in the public sector should consider the ethical requirements of civil servants in general and the particular requirements of auditors, including the latter’s professional obligations. The Code of Ethics should be seen as a necessary complement, reinforcing the INTOSAI Auditing Standards.

The INTOSAI Code of Ethics⁵ is directed at the individual auditor, the head of the SAI, executive officers and all individuals working for or on behalf of the SAI who are involved in audit work. However, the Code should not be interpreted as having any impact on the organisational structure of the SAI.

Due to national differences of culture, language, and legal and social systems, it is the responsibility of each SAI to develop its own Code of Ethics which best fits its own environment. Preferably these national Codes of Ethics should clarify the ethical concepts. The INTOSAI Code of Ethics is intended to constitute a foundation for the national Codes of Ethics. Each SAI has the responsibility to ensure that all its auditors acquaint themselves with the values and principles contained in the national Code of Ethics and act accordingly.

⁴ INTOSAI P-1 Lima Declaration Section 14 (1)

⁵ ISSAI 130 Code of Ethics

CODE OF ETHICS

Preamble

Work undertaken by Office of Auditor General of Nepal is intended at strengthening stakeholders' trust in the governance of the public sector. Increasing demands from these stakeholders include performing auditing in accordance with high ethical standards. Therefore, the office needs to act as model and inspire confidence and credibility. As ethical behaviour is a key component in establishing and sustaining the needed trust and reputation, a Code of Ethics is a prerequisite for the functioning of the office. The Code of Ethics implementation Directives is intended for all those who work for, or on behalf of this office.

In exercise of the power conferred by and by virtue of Section 29 of the Audit Act, 2075, Auditor General has issued this Code of Ethics.

Chapter 1 - Preliminary

1. **Short Title:** This directives is shall be called “Code of Ethics implementation directives of Office of Auditor General of Nepal, 2023”.
2. **Commencement:** This directives shall come into commencement immediately.
3. **Definitions:** Unless the subject or context requires otherwise, in this directives:
 - a. “Auditor” means and includes all audit service staff of Office of Auditor General of Nepal individually or otherwise. It also includes any other professional accountant, expert or any other person appointed to audit or perform any other work within the mandate of the Auditor General.
 - b. “Conduct” means the professional action, character, behavior, activities including socialization expected from the Auditor.
 - c. “Office” means Office of Auditor General of Nepal.
 - d. “Staff” means all other staff working for the Office of Auditor General of Nepal other than the Auditor.

Chapter 2 - Approach to Ethical Values

Fundamental Ethical Values

4. Given the Office's role in providing assurance and advice to Parliament on the way government departments and public bodies use and account for taxpayers' money, the highest standards of organizational and personal conduct are essential, and public service values and professional standards must be at the heart of the way the office conducts its business.
5. This Directives is based on five fundamental values. These values, and the respective summarized guiding principles, follow:
 - a. **Integrity** – to act honestly, reliably, in good faith and in the public interest;
 - b. **Independence and objectivity** – to be free from circumstances or influences that compromise, or may be seen as compromising, professional judgement, and to act in an impartial and unbiased manner;
 - c. **Competence** – to acquire and maintain knowledge and skills appropriate for the role, and to act in accordance with applicable standards, and with due care;
 - d. **Professional behavior** – to comply with applicable laws, regulations and conventions, and to avoid any conduct that may discredit the Office or auditing profession;
 - e. **Confidentiality and transparency** – to appropriately protect information, balancing this with the need for transparency and accountability.

Scope and Application

6. The Code of Conduct sets out the framework of professional and ethical behavior.
7. All auditors and staff including secondees working for or on behalf of the office are required to read the Code and comply with all its provisions by way of appropriate declarations.
8. The Code applies to auditors and staff of the office. Compliance with the Code is a prerequisite for undertaking any audit work within the mandate of the office. Those working through a recommendation of the office are expected to abide by the terms of the Code, although they are not expected to make a declaration.
9. The Code defines responsibilities but cannot address all the possible issues which people may face. This places a responsibility on individuals to apply common sense and careful judgement. There may be occasions when further guidance or clarification on the Code is required. In such circumstances, they should discuss the matter with the superior official.
10. Failure to operate within the terms of the Code may be treated as a disciplinary matter under the misconduct management procedures of the Office.

Risks and Controls

11. Risks of non-compliance with the ethical values as listed above can be influenced by a number of risk factors. These risks are often also referred to as "threats" or "vulnerabilities". These include, but are not limited to:
 - a) political influence;
 - b) external pressure from auditees or other parties;
 - c) personal interests;
 - d) inappropriate bias from previous judgements the auditor has made;
 - e) advocating the interests of auditees or other parties;
 - f) long or close relationships.

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12. Risks can be either real or perceived.
 13. Where risks are identified that threaten any of the five fundamental values, the significance of such threats needs to be evaluated and appropriate controls, often also referred to as “safeguards”, need to be put in place to reduce the risk of unethical behavior to an acceptable level.

Chapter 3 - Managing Ethics

Trust, Confidence and Credibility

14. The legislative bodies, the executive government, the audit clients and the general public of Nepal are entitled to expect the conduct and approach of Office of Auditor General of Nepal and its staff is above suspicion and reproach and worthy of respect and trust. They should be fully assured of the fairness and impartiality of all the work carried out by the Office. It is thus essential that this Code of Ethics, which governs the provision of public sector audit services, is in place and is adhered to.
15. There is a strong need for credibility in the Nepali public sector. It is therefore essential that the reports and audit opinions issued by the Office are considered by stakeholders to be thoroughly accurate, reliable and trustworthy.

Leadership – “Tone at the Top”

16. The office considers ethical behavior as a prerequisite for building an organizational culture. Ethical declarations and reviews are embedded within procedures for all types of audits and works undertaken by the office.
17. The office seeks to lead by example by maintaining high standards of professionalism, accountability and transparency in decision making from the top level itself.
18. Staffs are encouraged to discuss with the superiors when difficult and sensitive ethical questions arise.
19. All individuals should be ready to provide appropriate constructive feedback and support to advance the professional development of their colleagues. They have a responsibility for creating a working environment in which individuals' differences are respected and where their diverse qualities, experiences and contributions are valued.
20. The Office is responsible for ensuring that its work, and the way that it treats its staff, is fair and just at all times. Work should be planned and carried out, and findings reported in an accurate, fair and balanced way.

Ethical Guidance

21. Office shall ensure that clear communication is necessary to increase staff 's awareness and understanding of the code of ethics. Ethics and ethics related issues and topics are to be given importance during in the office's continuous professional development programmes, such as trainings, workshops or seminars, conducted inhouse or otherwise.
22. Ethical behavior is primarily the responsibility of staff, the office may support its staff by assigning ethics advisors within the office, to give advice on specific issues Confidentiality and a defined due process shall be given importance while providing this kind of assistance.

Ethics managing and monitoring

23. The office shall recognize ethics as a criterion in performance appraisal and professional development. This also means recognizing good ethical behavior of the staff.
24. The office shall require all staff to always engage in conduct consistent with the values and principles expressed in the code of ethics and shall provide guidance and support to facilitate their understanding. The office shall require that any party it contracts to carry out work on its behalf commit to the office's ethical requirements.

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25. The office shall establish procedures to address identified conflicts between its ethical requirements and the standards of professional bodies that the staff may be a member of.
 26. The office shall implement an ethics control system to identify and analyses ethical risks, to mitigate them, to support ethical behavior, and to address any breach of ethical values, including protection of those who report suspected wrongdoing.
 27. The office, as a control measure, shall maintain a register to track interests, gifts and hospitality.
 28. The office shall encourage whistle blowing for reporting cases of ethical misconduct. The confidentiality and the protection of the whistle-blower shall be strictly maintained.
 29. Code of Ethics compliance shall be monitored by applying selected criteria. **Annexure 4** provides the template for motoring the compliance of the Code. The template may be elaborated or modified by the approval of the ethics monitoring committee.

Code of Ethics Monitoring and Control Committee

30. The Auditor General may direct to form a committee to monitor the compliance of the Code of Ethics. The committee shall comprise of the following as directed by the Auditor General;
 - a) Deputy Auditor General Coordinator
 - b) Assistant Auditor General Member
 - c) Director Member Secretary
31. General Administration Directorate shall act as the secretariat of the committee.
32. The role, responsibility and authority of the committee shall be as follows;
 - a) The committee shall monitor and control the compliance of this Code of Ethics
 - b) The committee may seek documents, information, details and testimonies from the auditors, other staff, directorates and divisions. It would be the responsibility of such auditors, other staff, directorates and divisions to furnish the requested documents, information, details and testimonies.
 - c) The committee shall control and monitor ethical compliance based on the legal requirements and additional criteria based on the fundamental ethical values of this code.
 - d) The committee shall also be responsible to deal with the complaints and grievances received by the office regarding the ethical non-compliance by the staff. The committee shall judge on the merit of the complaints and grievances before initiating the proceedings.
 - e) The committee shall conduct self-assessment, internal and external reviews that can be used regularly, as monitoring tools, as a way to identify and analyses vulnerabilities and recommend measures for improving ethics management, and/or as a routine to ensure accountability.
 - f) If the committee finds anyone guilty of non-compliance of the code of ethics, the committee should report for action to the Deputy Auditor General (Management Division).
 - g) The Deputy Auditor General (Management Division) shall close the case with the decision for appropriate action and shall notify the Auditor General of such decision.
 - h) Auditor General shall have the final authority to hear the case on non-compliance and Auditor General's decision shall be final.

Chapter 4 - Fundamental Ethical Values

Integrity

33. Integrity is the core value of this Code of Ethics. Audit staff have a duty to adhere to high standards of behavior, such as honesty, truthfulness and candidness, in the course of their work and in their relationships with the staff of audited entities. Integrity implies not only honesty, but also includes fair dealings and truthfulness.
34. In order to sustain public confidence, the conduct of auditors should always be above suspicion and reproach.
35. Integrity can be measured in terms of what is right and just. Integrity requires auditors to observe both the form and the spirit of auditing and ethical standards. Integrity also requires auditors to observe the principles of independence and objectivity, maintain irreproachable standards of professional conduct, make decisions with the public interest in mind, and apply absolute honesty in carrying out their work and in handling the office's resources.
36. At the individual level, staff need to be alert to circumstances that might expose them to integrity vulnerabilities related to working for the office and in the public sector environment and avoid or disclose them as appropriate.

Circumstances of Integrity vulnerabilities (but not limiting to)

37. Auditors should ensure that their personal, financial or other interests or relationships do not conflict with the audit work and the office's interests;
38. Auditors should not accept gifts or gratuities or hospitalities that could impair their integrity;
39. Auditors should not abuse power for personal gains;
40. Auditors should not be involved in political activities and participate in pressure groups, lobbies etc.;
41. Auditors shall have access to sensitive and/or confidential information which should not be used for personal benefits;
42. Auditors shall not use valuable resources of the office for personal benefits.
43. Auditor should ensure that their private lives, such as their own financial situation or personal relationships also do not threaten their integrity.

Auditor's or Staff's responsibility for integrity control / safeguards

44. Staff need to acquaint themselves with the office's policies, regulations and rules related to integrity and are responsible for supporting and complying with them.
45. Staff need to know whom to consult with issues related to integrity, for example for advice or to report concerns or suspicions of integrity violations.
46. To ensure that integrity controls remain current, it is important that the staff participate in regular training, meetings and events to promote a culture of integrity and to learn about new risks and specific cases.

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47. If staff feel that integrity control weaknesses exist within the office, they bring these to the attention of Ethics Monitoring and Control Committee.

Independence and Objectivity

48. The core principles of a SAI's independence are described in INTOSAI-P 10⁶.
49. The office shall ensure that independence as prescribed by the constitutional is upheld at all times.
50. Objectivity and impartiality in all work conducted by the office, particularly in the reports, which always should be objective and accurate. Conclusions in audit opinions and audit reports should, therefore, be based exclusively on evidence obtained and assembled in accordance with the Office's Auditing Standards and Auditing Manuals.

Circumstances of Independence and Objectivity vulnerabilities (but not limiting to)

51. The office shall not provide advisory or other non-audit services to an auditee, where such services would include assuming management responsibilities and consequently impair independence.
52. Audit staff, particularly at senior level, do not develop relationships to audited entities that may put their independence or objectivity at risk.
53. Auditors have an obligation to refrain from becoming involved in any matters in which they have, or may be perceived to have, a vested interest.

Auditor's and Staff's responsibility for independence and objectivity control / safeguards

54. Staff should declaration of interests and conflicts of interest to help identify and mitigate threats to independence. This applies to the auditors vis-à-vis the auditee and Quality Assurance Review Team vis-à-vis the auditors and the auditee. The declaration of confirmation should be given as provided in the Annexure 1 to 3
55. Staff shall be free of impairments to independence and objectivity, whether real or perceived, that result from political bias, participation in management, self-review, financial or other personal interest, or relationships with, or undue influence from, others. For this purpose staff shall
- a) maintain independence from political influence and be free from political bias;
 - b) not be involved in the auditee management's decision-making;
 - c) not audit their own work;
 - d) avoid auditing entities in which they have recently been employed, without appropriate safeguards;
 - e) avoid circumstances where personal interests could impact decision-making;
 - f) avoid circumstances where relationships with the management or personnel of the auditee or other entities could impact decision-making;
 - g) refuse gifts, gratuities or preferential treatment that could impair independence or objectivity;
 - h) identify possible threats and situations in which their independence or objectivity may be impaired;
 - i) inform the management about any pre-existing relevant relationships and situations that may present a threat to independence or objectivity.

⁶ INTOSAI-P 10 – Mexico Declaration on SAI Independence

Competence

56. The competence of audit staff is a key element in ensuring the credibility and reputation of the office. Auditors have a duty to conduct themselves in a professional manner at all times and to apply high professional standards in carrying out their work to enable them to perform their duties competently and with impartiality.
57. The office should provide a continuous learning environment to support staff in applying and developing their competence by:
- a) initial and continuous training strategies and programmes in key areas for the office's performance;
 - b) initial and continuous training strategies and programmes in key areas for the office's performance;
 - c) development and updating of manuals and written guidance;
 - d) coaching, supervision and feedback mechanisms;
 - e) personal development plans;
 - f) knowledge-sharing tools, such as intranet and databases.

Staff or individual responsibility for competence

58. Auditors should exercise due professional care in conducting and supervising the audit and in preparing related reports. Auditors should understand the role and tasks to be performed during the audit.
59. Auditors should know and follow applicable auditing, accounting and financial management standards, policies, procedures and practices. Likewise, they are expected to possess a good understanding of the constitutional, legal and institutional principles and standards governing the operations of the audited entity.
60. Auditors should use methods and practices of the highest possible quality in their audits. In the conduct of the audit and the issue of reports, auditors have a duty to adhere to office's Auditing Standards and Auditing Manuals.
61. Auditors have a continuous obligation to update and improve the skills required for the discharge of their professional responsibilities.
62. Auditors must have sufficient competence, experience and the necessary tools to carry out audits in an effective and efficient manner.

Professional behaviour

63. Conduct consistent with the values of professional behavior includes acting in a manner that would cause a reasonable and informed third party, having knowledge of relevant information, to conclude that the work meets applicable standards.
64. The office shall be aware of the standard of professional behavior expected by its stakeholders, as defined by the laws, regulations and conventions of the society in which they operate and conduct its business accordingly and in line with their mandate.

Auditor's and staff's responsibility for professional behaviour

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65. Auditors, including other staff, should always maintain the highest standards of personal conduct. The office is concerned with the private and personal activities of the auditors and staff which impinge on the performance of their duties or risk bringing discredit to the office and its work.
 66. Auditors and / or staff need to understand the impact of their actions on the office's credibility and to consider how their behavior, both within and outside the working environment, may be perceived by colleagues, family and friends, auditees, the media and others.
 67. While expectations of what constitutes acceptable professional behavior may differ depending on whether one is inside or outside the workplace, auditor and / or staff need to consider stakeholders' expectations along with the office's mandate when determining a course of action.
 68. Auditors and office's staff are expected
 - a. to act according to ethical values;
 - b. to adhere to the legal and regulatory framework in place;
 - c. not to misuse their position;
 - d. to apply diligence and care in performing their work and
 - e. acting appropriately when dealing with others.
 69. Staff apply appropriate prudence and care in order that their actions or opinions do not compromise or discredit the office and its work, even when using the social media.
 70. If a particular course of action is legally permitted but does not meet the standard of professional behavior staff avoid that course of action.

Confidentiality and Transparency

71. The office shall balance the confidentiality of audit-related and other information with the need for transparency and accountability.
72. Auditors and Staff must at all times adhere to the highest level of confidentiality. They should under no circumstances disclose information obtained in the auditing process to third parties, either orally or in writing or through any other medium, except for the purpose of meeting the office's statutory responsibilities as part of the office's normal procedures or in accordance with relevant prevalent laws.

"Third party" means a person or group besides the two primarily involved in the situation, i.e. Auditor and Auditee.

"Other medium" means social networks, electronic communication devices (cell phones or email etc.) or any other medium of communication

Auditor's and staff's responsibility for professional confidentiality and transparency

73. Auditors and staff shall be aware of the legal obligations and of the office's policies and guidelines concerning both confidentiality and transparency.
74. Auditors and staff shall not disclose any information acquired as a result of their work without proper and specific authority, unless there is a legal or professional right or duty to do so.
75. Auditors and staff shall not use confidential information for personal gain or for gain of third parties.
76. Auditors and staff shall be alert to the possibility of inadvertent disclosure to third parties of confidential information.
77. Confidentiality is binding on auditors and other staff before, during and after the performance of audit assignments. Auditor and staff shall maintain professional confidentiality during and after termination of employment.

Chapter 5 – Miscellaneous

78. **Other legal provisions:** The staff of the office, who are also the public service personnel, are also subject to the provisions of the Civil Service laws, Anti-corruption laws, Anti-money laundering laws, Public Service Personnel Conduct Regulation and related act in relation to their conduct.
79. **Amendments:** This Code may be altered, from time to time, to take account of changed circumstances or new situations. Any amendments will be approved by the Auditor General.
80. **Repeal:** Code of Conduct for Government Auditors, 2070 is hereby repealed.
81. Any provision of this Code of Ethics not in conformation with any other prevalent laws and regulation then such legal provisions shall override provisions of this Code of Conduct to the extent they differ.

Annexures

Annexure 1 – Annual Code of Ethics Declaration for Auditors

I confirm that for the audit work that I have been assigned or allocated to be involved for the audit year
..... :

1. Myself, or any members of my immediate family do not have any financial interest in the audited entity/entities.
2. I do not have any business or financial relationship with the audited entity/entities or any of its/their officers and employees.
3. I am not, and have not been in the last two financial years, an employee of the audited entity/entities. In conducting the audit I will not be reviewing my own work
4. I have not received or I am not due to receive any gifts, donations, hospitality or any other benefits from the audited entity/entities or any third person in relation to the audit that could impair my objectivity.
5. I do not have any family or other relationship with any director, officer, and employee of the entity/entities under audit that may impair my independence.
6. I have read the OAGN Code of Ethics and understand the requirements of the code in there as far as:
 - I shall exercise due care and perform the audit in a professional manner and to the best of my abilities.
 - I shall perform the audit with honesty, integrity, objectively, impartially, prudence, and political neutrality.
 - My personal conduct shall be accordance to professional behaviour expected of the office that I represent and shall not do or be involved in anything that shall disrepute the office.
 - I shall keep full confidentiality of information obtained during the audit process and shall not disclose such information to third parties except otherwise as explicitly required by the law.

I will immediately inform the office if any circumstance(s) that may change from the above declaration and come to my knowledge, which may have bearing on my compliance of the OAGN Code of Ethics.

Signature:

Name:

Designation:

Date:

Annexure 2 – Annual Code of Ethics Declaration for Staff

I confirm that:

1. I am not involved in any work related to audit including documentations where myself, or any members of my immediate family do not have any financial interest in the audited entity/entities or I have been and employee for the last two years.
2. I have not received or I am not due to receive any gifts, donations, hospitality or any other benefits from any of the entity audited by the office.
3. I do not have any family or other relationship with any director, officer, and employee of the entity/entities under audit that may impair my conduct.
4. I have read the OAGN Code of Ethics and understand the requirements of the code in there as far as:
 - I shall exercise due care and perform my duties in a professional manner and to the best of my abilities.
 - I shall perform the audit with honesty, integrity, objectively, impartially, prudence, and political neutrality.
 - My personal conduct shall be accordance to professional behaviour expected of the office that I represent and shall not do or be involved in anything that shall disrepute the office.
 - I shall keep full confidentiality of information obtained during my work and shall not disclose such information to third parties except otherwise as explicitly required by the law.

I will immediately inform the office of any circumstance(s) or event(s) that may have bearing on my compliance of the OAGN Code of Ethics.

Signature:

Name:

Designation:

Date:

Annexure 3 – Annual Code of Ethics Declaration for Quality Assurance Team

I confirm that for the audit work that I have been assigned or allocated to be involved for quality assurance the audit year :

1. Myself, or any members of my immediate family do not have any financial interest in the audited entity/entities under my review.
2. I do not have any business or financial relationship with the audited entity/entities or any of its/their officers and employees and the auditor.
3. I am not, and have not been in the last two financial years, an employee of the audited entity/entities whose work are being reviewed for quality.
4. In conducting the Quality Assurance I will not be reviewing my own work
5. I have not received or I am not due to receive any gifts, donations, hospitality or any other benefits from the audited entity/entities or any third person in relation to the review that could impair my objectivity.
6. I do not have any family or other relationship with any director, officer, and employee of the entity/entities' work under review that may impair my independence.
7. I have read the OAGN Code of Ethics and understand the requirements of the code in there as far as:
 - I shall exercise due care and perform the review in a professional manner and to the best of my abilities.
 - I shall perform the audit with honesty, integrity, objectively, impartially, prudence, and political neutrality.
 - My personal conduct shall be accordance to professional behaviour expected of the office that I represent and shall not do or be involved in anything that shall disrepute the office.
 - I shall keep full confidentiality of information obtained during the audit process and shall not disclose such information to third parties except otherwise as explicitly required by the law.

I will immediately inform the office if any circumstance(s) that may change from the above declaration and come to my knowledge, which may have bearing on my compliance of the OAGN Code of Ethics.

Signature:

Name:

Designation:

Date:

Annexure 4 – Monitoring Criteria for Compliance of Code of Ethics

	Conduct	Responsible person	Compliance method	Compliance monitoring
1.	Integrity			
1.1	Should ensure that behaviour is above reproach or suspicion			
1.2	Should not accept gifts or gratuities or hospitalities that could impair their integrity			
1.3	Should not abuse power for personal gains			
1.4	Shall not use resources of the office for personal benefits.			
1.5	Should ensure that their personal, financial or other interests or relationships do not conflict with work			
1.6	Should not be involved in political activities and participate in pressure groups, lobbies			
2.	Independence			
2.1	Should not be involved in the auditee management's decision-making			
2.2	Should not develop relationships to audited entities that may put their independence or objectivity at risk			
2.3	Should not audit their own work			
2.4	Should inform the management about any pre-existing relevant relationships and situations that may present a threat to independence or objectivity			
3.	Competence			
3.1	should exercise due professional care in conducting and supervising the audit			
3.2	should know and follow applicable auditing, accounting and financial management standards, policies, procedures and practices			
3.3	should use methods and practices of the highest possible quality in their audits			
3.4	Should have a continuous obligation to update and improve the skills required			
4.	Professional behaviour			
4.1	should always maintain the highest standards of personal conduct within or outside work			
4.2	Should understand the impact of their actions on the office's credibility and to			

	Conduct	Responsible person	Compliance method	Compliance monitoring
	consider how their behaviour, both within and outside the working environment			
5.	Confidentiality			
5.1	Should be aware of the legal obligations and of the office's policies and guidelines concerning both confidentiality and transparency			
5.2	Shall maintain professional confidentiality during and after termination of employment			
5.3	Shall not use confidential information for personal gain or for gain of third parties			
5.4	Shall balance the confidentiality of audit-related and other information with the need for transparency and accountability within the legal and professional boundaries			



महालेखापरीक्षकको कार्यालय Office of the Auditor General

बबरमहल, काठमाडौं, नेपाल
Babar Mahal, Kathmandu, Nepal

नीति योजना तथा जनशक्ति विकास महानिर्देशनालय



पत्र संख्या २०७७।७८ च नं ०३

मिति २०७७।४।१६



विषय नेपाल सरकारी लेखापरीक्षण मानकको कार्यान्वयन सम्बन्धमा

नेपाल
२०१६

श्री सबै विभागहरु

श्री सबै महानिर्देशनालयहरु

श्री सबै निर्देशनालयहरु

महालेखापरीक्षकको कार्यालय ।

उपरोक्त सम्बन्धमा लेखापरीक्षण ऐन, २०७७ को दफा २९ ले दिएको अधिकार प्रयोग गरी महालेखापरीक्षकले गर्ने लेखापरीक्षणलाई वस्तुपरक, विश्वसनीय र भरपर्दो बनाई लेखापरीक्षणको गुणस्तर अभिवृद्धि गर्न साविकमा स्वीकृत भएका सरकारी लेखापरीक्षण मानदण्ड एवं सरकारी लेखापरीक्षण नीति मानदण्ड खारेज गरी सर्वोच्च लेखापरीक्षण संस्थाहरुको अन्तर्राष्ट्रिय संगठनले जारी गरेका अन्तर्राष्ट्रिय लेखापरीक्षण मान (INTOSAI Framework for Professional Pronouncements, IFPP) मा आधारित "नेपाल सरकारी लेखापरीक्षण मान" (Nepal Government Auditing Standards, NGAS) २०७७।४।१६ मा स्वीकृत गरिएको छ । अतः कार्यालयबाट यस वर्षदेखि लेखापरीक्षण गर्दा तपसिलका नेपाल सरकारी लेखापरीक्षण मानको कार्यान्वयन गर्नु हुन अनुरोध छ ।

तपसिल

NGAS नम्बर	नेपाल सरकारी लेखापरीक्षणमानको नाम
INTOSAI-P 1	The Lima Declaration
INTOSAI-P 10	Mexico Declaration on SAI Independence
INTOSAI-P 12	The Value and Benefits of Supreme Audit Institutions- making a difference in a life of citizens
INTOSAI-P 20	Principles of Transparency and Accountability
ISSAI 100	Fundamental Principles of Public-Sector Auditing
ISSAI 130	Code of Ethics
ISSAI 140	Quality Control for SAIs
ISSAI 200-299	Financial Audit Principles
ISSAI 300-399	Performance Audit Principles
ISSAI 400-499	Compliance Audit Principles
ISSAI 2000-2899	Financial Audit Standards
ISSAI 3000-3899	Performance Audit Standards
ISSAI 4000-4899	Compliance Audit Standards

जानकारीको लागि

माननीय महालेखापरीक्षकज्यू ।

भवदीय

(घनश्याम पराजुली)

नायव महालेखा परीक्षक

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"जनहितका लागि जवाफदेहिता, पारदर्शिता र निष्ठा प्रवर्धनमा विश्वसनीय लेखापरीक्षण संस्था"