STATEMENT ON PEER REVIEW

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STATEMENT ON PEER REVIEW

1.0 Introduction

1.1 The Council of the Institute of Chartered Accountants of Nepal (hereinafter referred to as “the Institute”) has been constituted under the Nepal Chartered Accountants Act, 1997 (hereinafter referred to as “the Act”) for the management of the affairs of the Institute and for discharging the functions assigned to it under the Act. Section 7 of the Act provides that “the duties of carrying out the provisions of this Act shall be vested in the Council” and Section 11 of the Act enumerates various duties of the Council. With a view to regulating the profession of Chartered Accountants and in terms of the powers vested, the Council is thus authorised to issue this Statement on Peer Review. This Statement serves as a mechanism intended to further enhance the quality of professional work of practising Chartered Accountants over a period of time, thereby ensuring that the profession of chartered accountants continues to serve the society in the manner envisaged.

2.0 Objectives

2.1 The main objective of Peer Review is to ensure that in carrying out their attestation services assignments; the members of the Institute (a) comply with the Technical Standards made mandatory for application by the Institute and (b) have in place proper systems (including documentation systems) for maintaining the quality of the attestation services work they perform. The Council has specified in this Statement on Peer Review, the Technical Standards in relation to which peer reviews are to be carried out. Peer review does not seek to redefine the scope and authority of the Technical Standards promulgated by the respective Standards Boards but seeks to ensure their implementation both in letter and spirit.

2.2 Peer Review is directed towards maintenance as well as enhancement of quality of attestation services and to provide guidance to members to improve their performance and adhere to various statutory and other regulatory requirements. Essentially, through a review of attestation services engagement records, peer review identifies the areas where a practising member may require guidance in improving the quality of his/her performance and adherence to various requirements as per applicable Technical Standards.

2.3 This Statement provides a framework of the Peer Review process and the requirements of what is expected of a member during the conduct of a peer review.

3.0 Definitions of Terms

For the purpose of this Statement,
3.1 **Attestation Services** - Means services involving the auditing or verification of financial transactions, book of accounts, records, or verification or certification of financial statements, but does not include:

(i) Management Consultancy Engagements;
(ii) Representing a client before various Authorities;
(iii) Engagements to prepare tax returns or advising clients in taxation matters;
(iv) Engagements for the compilation of financial statements;
(v) Engagements solely to assist the client in preparing, compiling or collating information other than financial statements;
(vi) Testifying as an expert witness; and
(vii) Providing expert opinion on points of principle, such as Accounting Standards or the applicability of certain laws, on the basis of facts provided by the client.

The phrase 'Attestation Services' is used in this Statement interchangeably with Audit Services, Attestation Functions, and Audit Functions.

3.2 **Member** - Means a member of the Institute of Chartered Accountants of Nepal.

3.3 **Practice Unit** - Means a member in practice, whether practising individually or in a trade name (either as a sole proprietor or as a firm).

3.4 **Peer Review** - Means an examination and review of the systems and procedures to determine whether they have been put in place by the practice unit for ensuring the quality of attestation services as envisaged and implied/mandated by the Technical Standards and whether these were effective or not during the period under review.

3.5 **Peer Review Board** - Means the Board established by the Council in terms of this Statement, to conduct peer review. The expression “Peer Review Board” is hereinafter referred to as “Board”.

3.6 **Reviewer** - Means a member fulfilling the qualifications prescribed for a Reviewer (Para 10.0).

3.7 **Technical Standards** - Mean and include:

(i) Nepal Accounting Standards issued by the Accounting Standards Board (ASB), including the framework for the preparation and presentation of the financial statements;
(ii) Nepal Standards on Auditing issued by the Auditing Standards Board (AuSB), including preface and framework for assurance engagements, Statements and Guidance Notes;
(iii) Statements and guidance notes issued by the Institute of Chartered Accountants of Nepal;
(iv) Notifications/Directions/Announcements issued by the Institute of Chartered Accountants of Nepal including those of self-regulatory nature; and
(v) Provisions of the various relevant Statutes and/or Regulations which are applicable in the context of the specific engagements being reviewed including instructions/guidelines/notifications/directions issued by the regulatory bodies.
3.8 Words and expressions used and not defined in this Statement shall have the meanings assigned to them under the Nepal Chartered Accountants Act, 1997 and Nepal Chartered Accountant Regulations 2004.

3.9 In this Statement, singulars imply plurals, and vice versa, when applied to terms defined as above.

4.0 Authority of the Statement on Peer Review

4.1 The Statement on Peer Review applies to all members of the Institute in practice, either individually or as proprietor or as partners of a firm.

4.2 The Statement on Peer Review issued in relation to conduct of members in performance of attestation services intends to:

(i) Promulgate an appropriate mechanism for ensuring the quality of attestation services and guide the members to conduct themselves in a manner that the Council considers appropriate;

(ii) Provide guidance in relation to the statutory powers and obligations with respect to the parties involved in peer review;

(iii) Prescribe the scope of peer review and the procedures to be adopted during the conduct of a peer review; and

(iv) Establish the expected conduct of members during a peer review.

5.0 Powers of the Council

5.1 To constitute and empower the Peer Review Board and to fill the vacancies arising in the Board from time to time.

5.2 To partially or substantially modify this Statement governing the structure of the peer review process and the procedures framed thereunder governing the review process and/or the roles of the Board and/or Reviewer(s).

5.3 To decide upon, periodically, the Technical Standards the implementation of which falls within the purview of the peer review process.

5.4 To approve/decide upon the procedures and prescriptions governing the peer review process, as put up to it from time to time by the Board.

5.5 To refer such matters to the Board in relation to Peer Review as the Council may deem fit.

5.6 To approve the Annual Budget of the Board.
6.0 Peer Review Board

6.1 Establishment and Appointment

(a) The Peer Review Board shall be established by the Council.
(b) The Peer Review Board shall consist of a maximum of 5 members to be appointed by the Council.
(c) The Council shall appoint the Chairman and members of the board amongst from the members who are in full time practice. However this provision shall not applicable in the case of Government Nominee.
(d) The term of a member shall be for two year, or such period as may be prescribed by the Council.
(e) Casual vacancies on the Board shall be filled by the Council.
(f) Members of the Disciplinary Committee and Code of Ethics Committee of the Institute shall not be members of the Board.

6.2 Meetings

(a) No business shall be transacted at a meeting of the Board unless there is presence of at least 2 members including the Chairman
(b) If there is no quorum within half an hour of the time fixed for the meeting, the meeting shall stand adjourned to a date, time and place fixed by the Chairman
(c) The Board shall meet not less than four times in a year.

6.3 Reporting

The Board shall submit (at least) six monthly reports on its functioning to the Council.

7.0 Scope of Peer Review

7.1 The peer review process is directed at the attestation services of a practice unit.

7.2 Once a practice unit is selected for review, its attestation engagement records pertaining to the immediately preceding three completed financial years shall be subjected to review. Provided that the records of audit reports/attestation services relating to years prior to the accounting year beginning 1 Srawan 2062 (15.07.2005) shall not be subjected to review.

7.3 The Review shall focus on:
   (i) Compliance with Technical Standards.
   (ii) Quality of Reporting.
   (iii) Office systems and procedures for carrying out attestation services
   (iv) Training Programs for staff (including Articled Trainees) concerned with attestation functions, including availability of appropriate infrastructure thereof.

8.0 Powers of the Board

8.1 The duty of carrying out the provisions of this Statement shall be vested in the Board.
8.2 In particular, and without prejudice to the generality of the foregoing powers, the duties of the Board shall include:
(a) To call for information from practice units/reviewers in such form and manner as may be prescribed;
(b) To maintain a panel of Reviewers satisfying the qualifications for Reviewers as laid down in this Statement;
(c) To clearly define the terms of appointment of the reviewers based on specific criteria;
(d) To send a Panel of at least three reviewers (from the Board's own panel) to the practice unit, allow the practice unit to choose any one reviewer from the panel so forwarded to it and appoint the reviewer as per the choice of the practice unit;
(e) To examine the aspects of basis of selection of records pertaining to the attestation services in terms of the appropriate Technical Standards and the prescriptions as given by the Council;
(f) To arrange for such training programmes for reviewers as may be deemed appropriate;
(g) To prescribe the practice and procedure to be observed in relation to peer reviews;
(h) To review the work performed by a reviewer; and
(i) On considering the Report of a reviewer, to do the following:
   i. Issue recommendations to the practice unit;
   ii. Order a further peer review to be carried out;
   iii. Issue Peer Review Certificate.

8.3 Where deemed appropriate, after the conclusion of a cycle of reviews or at the end of each such period as may be determined, the Board shall have the powers to make a Special Report to the Council on:
(i) General issues regarding the level of implementation and adherence to Technical Standards amongst practice units and
(ii) Its own suggestions for further improvement in quality of attestation services.

8.4 The Board may perform any other function or act as may be incidental to, or, which it considers necessary or expedient for the performance of its functions, or exercise of its powers as delegated to it by the Council, including the formation of sub-committees for specific tasks.

9.0 Compliance with the Statement on Peer Review

9.1 Practice units are required to comply with the provisions of this Statement. Practice units failing in this regard will be required to undergo appropriate review or follow up of their quality controls by the Board in terms of such specific directions as may be notified to the members by the Board itself or through the Institute.

10.0 Qualifications of the Reviewer

10.1 The nature and complexity of peer review require the exercise of professional judgement. Accordingly, an individual serving as a reviewer shall:
The Institute of Chartered Accountants of Nepal

Statement on Peer Review

(a) Be a member;
(b) Possess at least ten years’ experience of audit;
(c) Be currently in full time practice;
(d) Have particular experience in areas pertinent to the scope of review; and
(e) Should be free from any obligation to, or interest in, the reviewed firm or its personnel.

Provided that in the case of review of CA firms (including individual practitioner, proprietorship and partnership firm), the reviewer shall be a chartered accountant.

10.2 For allotment of review work, a reviewer:

(a) Should have undergone the requisite training imparted by the Board;

(b) Should have furnished a declaration to the effect that no disciplinary action is pending against him

(c) Should have signed the Statement of Confidentiality.

11.0 Practice Units Subject to Review

11.1 Peer review will be introduced in three stages with different types of practice units being included in each stage.

11.2 Implementation will proceed on the basis of random selections from the practice units included in each stage. The Board shall decide the proportion of practice units to be included in the selection during each phase of implementation. Practice units, which shall be covered under each stage, are listed below:

Stage – I
In this stage, peer review will be made for Practice Unit engaged in attestation services of companies listed in security exchange. The peer review will be limited to review of such companies attestation services only.

The implementation of this stage will be initiated from 15th May 2007.

Stage – II
In this stage, peer review will be made for Practice Unit engaged in attestation services of companies listed in security exchange, Bank, Insurance Companies and Public Sector Undertakings.

The implementation of this stage will be initiated from 1st January 2009.

Stage III
In this stage, peer review will be made voluntary for all Practice Units.

The implementation of this stage will be initiated from 1st January 2011

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The Peer Review Board may select Practice Unit (PU) for peer review, if peer review request for peer review in any Financial Year is less than 20% of total number of Practice Unit.

11.3 A practice unit not selected in any of the above stage I & II, may suo motu apply to the Board for the conduct of its peer review, and the Board shall take due cognizance of such request.

11.4 An auditee may request the Board for the conduct of peer review of its auditor (practice unit), the Board shall take due cognizance of such request and in that case the cost of the peer review shall be borne by such auditee concern.

11.5 The Peer Review Board may modify any of the above criteria with prior approval of the Council.

12.0 Obligations of the Practice Unit

12.1 Any person to whom this clause applies, and who is reasonably believed by a reviewer to have in his possession or under his control any record or other document which contains or is likely to contain information relevant to the peer review shall:

(i) Produce to the reviewer or afford him access to, any record or document specified by the reviewer or any other record or document which is of a class or description so specified, and which is in his possession or under his control, being in either case a record or other document which the reviewer reasonably believes is or may be relevant to the peer review, within such time as the reviewer may reasonably require;

(ii) Afford and provide to the reviewer such explanation or further particulars in respect of anything produced in compliance with a requirement under sub clause (i) above, as the reviewer shall specify; and

(iii) Provide to the reviewer all assistance in connection with peer review which he is expected to provide.

12.2 Where any information or matter relevant to a practice unit is recorded otherwise than in a legible form, the practice unit shall provide and present to the reviewer a reproduction of any such information or matter, or of the relevant part of it in a legible form, with a suitable translation in English if the matter is in any other language, and such translation is requested for by the reviewer.

12.3 The practice unit shall ensure that the reviewer is given access to all documents relevant to his review no matter which office of the practice unit these documents may be available in, in case the practice unit has more than one office.

12.4 A practice unit shall allow the reviewer to inspect, examine or take any abstract of or extract from a record or document of the practice unit which may be required by the reviewer. However, the reviewer shall not carry extracts of the client’s file or records examined by him while conducting peer review, as a part of his working papers.
12.5 For the purpose of this clause a person means a Partner/Sole Proprietor/member (practising in own name) of the practice unit to which the particular review relates or any person employed by or whose services are engaged by such unit.

13.0 Periodicity of Peer Review

13.1 The peer review of the practice units falling under Stages I and II should be mandatorily carried out at least once in a block of three years. Initially, the peer review of the Practice Unit under stage I will be done at the request of the Practice Units. For practice units falling under Stage III, the periodicity of review shall be as may be decided by the Board. However, if the Board so decides or otherwise at the request of the practice unit, the peer reviews for a practice unit can be conducted at shorter intervals.

14.0 Cost of Peer Review

14.1 The cost of peer review including honorarium and TA/DA for reviewer and his qualified assistant(s) as may be decided by the Board from time to time, shall be borne by the practice unit. In case reviewer has to conduct follow-up review, the same rate would apply to the follow-up review also.

14.2 Each branch under review would be considered separately for the purpose of peer review.

15.0 Training and Development

15.1 To ensure that the objective of peer review is attained in letter and spirit, adequate training facilities shall be provided, from time to time, to the Reviewer(s) and other persons who assist the Board as and when and in the manner considered appropriate by the Board. Reviewers shall be expected to be fully familiar with all procedures, announcements, guidance and notifications as may be issued by the Board from time to time.

16.0 Review Framework

The methodological approach involved in peer review can be defined in terms of three stages viz., planning, execution and reporting, which are summarized below:

16.1 Planning

(i) Notification
A practice unit will be notified in writing about an impending peer review and will be sent a Questionnaire for completion together with the name of the reviewer.
The Institute of Chartered Accountants of Nepal

Statement on Peer Review

Approved by the Council on 20th May 2007

The Board shall seek the consent of the reviewer for carrying out peer review assignment, alongwith the Statement of Confidentiality.

(ii)  Sending the completed Questionnaire to the reviewer
The practice unit shall have to complete and send the Questionnaire to the reviewer within 15 days of intimation by the Board. The information will be used for the planning of the review. In addition, practice units will be required to enclose a complete list of their attestation services clients as required by the stages of the peer review implementation, and to provide any other information the reviewer considers necessary to facilitate the selection of a sample of attestation services engagements, representative of the practice unit's client portfolio, for review. However, the practice unit may not provide the names of all such clients but instead provide code numbers alongwith other relevant details provided the practice unit has been maintaining register allotting the code numbers to all its clients.

(iii)  Sample of Attestation Services Engagements
a) From the complete attestation services client list, an initial sample will be selected by the reviewer. Practice units will be notified of the selection in writing about two weeks in advance, requesting the relevant records of the selected attestation services clients to be made available for review.

b) At the execution stage, the initial sample may be reduced to a smaller actual sample for review. However, if the reviewer considers that the actual sample does not cover a fair cross-section of the practice unit's attestation services engagements, he may make further selections.

(iv)  Confirmation of visit
In consultation with the practice unit date(s) will be set for the on-site review to be carried out. Flexibility will be permitted to ensure that members are not inconvenienced at especially busy periods. The on-site review date(s) will be arranged by mutual consent such that the review is conducted within four months of notification.

16.2  Execution
(i)  Peer review visits will be conducted at the practice unit's head office or branch(es). The complete on-site review of a practice unit may take at least a full day depending upon the size of the practice unit. This is based on the assumption that the practice unit concerned has made all the necessary information and documentation available to the reviewer for his review. However, in any case this on-site review should not extend beyond 4 working days.

(ii)  An initial meeting will be held between the reviewer and the proprietor/partner of the practice unit designated to deal with the review (designated partner). The primary purpose of this meeting is to confirm the
accuracy of the responses given in the Questionnaire. The description of the system in the Questionnaire may not fully explain all the relevant procedures and policies adopted by the practice unit and this initial meeting can provide additional information. The reviewer should have a full understanding of the systems and procedures and be able to form a preliminary evaluation of its adequacy at the conclusion of the meeting.

(iii) Large practice units which have extensive documentation regarding their practice and procedures (i.e. formal office procedure manuals and audit manuals) will find it unnecessary to document all the controls and will be expected to cross reference the Questionnaire to the relevant sections of their manuals. For practices like these an additional planning visit will be arranged before the on-site review to review the relevant manuals.

(iv) Practice units should have procedures and documentation sufficient to cover each of the key control areas. Members in smaller practices may find some of the documentation too elaborate for most of their clients and so should tailor their attestation services documentation to suit their particular circumstances with justification for doing so provided to the reviewer.

(v) Compliance Review-General Controls
   (a) The reviewer may carry out a compliance review of the General Controls and evaluate the degree of reliance to be placed upon them. The degree of reliance will, ultimately, affect the attestation services engagements to be reviewed. The following five key controls will be considered as General Controls:
      • Independence
      • Maintenance of Professional Skills and Standards
      • Outside Consultation
      • Staff Supervision and Development
      • Office Administration

      Practice units are expected to address each of the five key control areas.

   (b) In each key control area there shall be supplementary questions and matters to consider. These are intended to ensure that the kind of controls that are expected to be maintained, are installed and operated within practice units.

   (c) All questions in the questionnaire may not necessarily be relevant to particular types of practice units because of their size and nature of work etc. However, practice units should still assess their internal control systems to ascertain whether they address the objectives under the five key control areas.

(vi) Selection of attestation services engagements for review
a) The number of attestation services engagements to be reviewed depends upon:
   • The number of practising members involved in attestation services engagements in the practice unit;
   • The degree of reliance placed, if any, on general quality controls; and
   • The total number of attestation services engagements undertaken by the practice units for the period under review.

b) From the initial sample selected at the planning stage, the reviewer, in consultation with the practice unit, may reduce the initial sample to a smaller actual sample of attestation services engagements for review. The engagements reviewed should be a balanced sample from a variety of different sized clients covering various industries so that they reflect the overall performance of a practice unit. Accordingly, if the reviewer considers that the actual sample is not representative of the practice unit's attestation services client portfolio, he may make further selections from the initial sample or from the complete attestation services client list.

(vii) Review of records
The reviewer may adopt a compliance approach or substantive approach or a combination of both in the review of attestation services engagement records.

(A) Compliance approach Attestation services Engagements
The compliance approach is to assess whether proper control procedures have been established by the practice unit to ensure that attestation services are being performed in accordance with Technical Standards.

The following six key controls shall be considered:
   o Audit Record Administration
   o Review and Evaluation of System of Internal controls
   o Substantive Tests
   o Financial Statements Presentation
   o Audit Conclusion
   o Audit Report

(B) Substantive approach Attestation services Engagements
A substantive approach will be employed if the reviewer chooses not to place reliance on the practice unit's specific controls on attestation engagements or is of the opinion that the standard of compliance is not satisfactory. This approach requires a review of the attestation working papers in order to establish whether the attestation work has been carried out as per norms of Technical Standards.
16.3 Reporting
The Peer review report should categorically state that the system of quality control for the attestation services of the practice unit for the period under review has been designed so as to carry out the attestation services in a manner that ensures compliance with technical standards made mandatory for application by the Institute and maintenance of the quality of attestation services they perform.

(i) Discussion/Communication of Findings
(a) At the end of an on-site review, the reviewer, if satisfied, shall submit Peer Review Report to the Board or before making his report to the Board, communicate his findings to the practice unit if systems and procedures had been found to be deficient, non-compliance with reference to any other matter has been noticed by him or there are matters where he wants to seek clarification.

(b) The practice unit shall have 21 days after the day the findings are received by the practice unit from the reviewer, to make any submissions or representations, in writing to the reviewer, concerning the findings.

(ii) Peer review Report of Reviewer
Based on the reply received from the practice unit, the Reviewer shall submit a Peer review Report to the Board. Review report submitted by the reviewer shall only include peer review methodology adopted and the appropriate grading recommended for the practicing unit.

(a) The Board may suggest a follow up review after a period of one year from the date as per the Board’s direction.

(b) The reviewer shall not name any individual in his report unless it is essential to bring out the meaning of the report.

(c) The reviewer shall not communicate any Report(s) unless the examination of such Report(s) and related records has been made by him or by a partner or an employee of his firm.

(iii) Working papers
The reviewer shall document all his working papers and submit such working papers, including his communications with Practice Unit, to the Board in a sealed envelope. Such working papers shall be destroyed within 3 month from the date of issuance of grading certificate to the practice unit, in the presence of both peer reviewer and practice unit or their authorized representative(s).

The Board, if considers necessary shall, open the sealed envelope containing working papers in the presence of the Peer Reviewer/Practice Unit or both to ascertain appropriateness of the grading given by the Peer Reviewer. After review and/or enquiry the Board can determine the grading to be given and issue its Peer Review Report.
(iv) Peer Review Certificate

On receiving the Peer review report, the Board may issue Peer Review Certificate to the practice unit provided that the Certificate should be issued within 15 days from the date of the Board's decision with regard to such issuance. It is to be ensured by the PU that a reference of the peer review done should only be mentioned in its business proposals without giving reference to the grading or otherwise of the peer review report. Moreover the PU shall ensure that the Peer Review Report is kept confidential and reproduction and distribution of copies in whatsoever form should not be done. Failing which the Board or the Disciplinary committee of the Institute may take appropriate action.

17.0 Referral of Disputes and Appeal

17.1 Where a dispute arises over the powers of reviewers or the process or conclusions reached after the review or to any other matter related to the review, the practice unit, the reviewer or both may refer the dispute, in writing, to the Board. Such referral shall have to be made in such manner and within such time as may be prescribed by the Board in these regards.

17.2 Where a dispute is referred, after considering any submissions or representations (which shall be made in writing) made by the relevant practice unit and/or the relevant reviewer, the Board-
(a) Shall decide the dispute by itself or constitute a Special Committee for the purpose and communicate its decision to each of the parties to the dispute;
(b) May issue directions relating to the matter in dispute to such practice unit or the reviewer concerned and require such unit or reviewer to comply with them;
(c) Shall convey its decision in these regards to the appellant within 15 days from the date of the decision, so as to provide the appellant sufficient time to respond.

17.3 Where a practice unit is dissatisfied with the decision of the Board or its committees, it may refer the matter to the Council in such manner and within such period of time as may be prescribed.

18.0 Immunity

18.1 A practice unit, which makes available records or documents to a reviewer, shall not incur any liability under the Code of Ethics under the Nepal Chartered Accountants Act, 1997 by reason of compliance with this Statement.

18.2 The reviewer, by virtue of carrying out the peer review shall not incur any liability other than the liability arising out of his own conduct under the Code of Ethics under the Nepal Chartered Accountants Act, 1997 as well as under the relevant clauses of this Statement.

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18.3 The members of the Peer Review Board or its committee shall not incur any liability by virtue of their having discharged the responsibilities as given in this Statement and/or as may in future be specified by the Council, other than the liability arising out of their own conduct under the Code of Ethics under the Nepal Chartered Accountants Act, 1997 as well as under the relevant clauses of this Statement.

19.0 Confidentiality

19.1 Strict confidentiality provisions shall apply to all those involved in the peer review process, namely, reviewers, members of the Board or its committee, or any person who assists any of these parties.

19.2 Those persons subject to the secrecy provision:
(a) Shall at all times after his/ their appointment preserve and aid in preserving secrecy with regard to any matter coming to his/ their knowledge in the performance or in assisting in the performance of any function, directly or indirectly related to the process and conduct of peer reviews;

(b) Shall not make use of or disclose the contents of any review report or any working paper file, document or other material, or any confidential information concerning the affairs of any practising unit except to the Peer Review Board.

(c) Shall not at any time permit any other person to have any access to any record, document or any other material in any form which is in his/their possession or under his/their control by virtue of his/their being or having been so appointed or his/their having performed or having assisted any other person in the performance of such a function.

19.3 Non-compliance with the secrecy provisions in the above clause shall amount to professional misconduct as defined under Section 34 of the Nepal Chartered Accountants Act, 1997.

19.4 A Statement of Confidentiality (appended as Annexure 'A') shall be signed by the persons who are responsible for the conduct of peer review i.e., reviewers, members of the Board and by assistants in cases where the Board has permitted an assistant and filed with the Board.

20.0 Procedural Departures

20.1 Where the persons who are responsible for the conduct of peer review (reviewers, the members of the Board and others who assist them) have not followed the prescribed procedures, they shall have to justify significant departures and such justification shall have to be mandatorily made known to the Council in the periodic reports of the Board to the Council.
21.0 Budget and Finance

21.1 The Council shall approve the Annual Budget of the Board.

21.2 The Board shall have the autonomy to administer its budget after the approval as above. For this purpose, the Executive Director of the Institute shall act as authorised officer of the Board till the Secretariat of the Board is fully functional.

21.3 Norms and procedures of financial administration as per current practice in the Institute of Chartered Accountants of Nepal shall be followed by the Board.

22.0 Secretariat

22.1 The Council may set up an appropriate and independent Secretariat to assist the Board in the discharge of its functions. The Chairman shall be the Chief Executive Authority of the Board. The Executive Director of the Institute shall act as Secretary of the Board till the Secretariat of the Board is fully functional.

22.2 The Secretariat personnel shall be subject to the same norms of confidentiality and immunity as shall apply to Board members and Reviewer(s).

22.3 Appropriate arrangements for training of personnel of the Secretariat shall be made from time to time.
Statement of Confidentiality

[In accordance with the Statement on Peer Review, this statement of confidentiality is to be filled in by the persons who are responsible for the conduct of peer review i.e., reviewers, members of the Board and others who assist them, individually. The Reviewer shall be responsible for taking this undertaking from all those persons who assist him or are likely to assist him in conducting peer reviews, and shall send the same to the Board. This statement of Confidentiality should be renewed every year.]

To
The Chairman,
Peer Review Board,
The Institute of Chartered Accountants of Nepal
Kathmandu.

Sir,

I hereby declare that my attention has been drawn to the need for confidentiality in the conduct of peer reviews. I therefore undertake and assure that in so far as any or all of the following relate to me or are brought to my knowledge/attention, in any manner whatsoever, whenever, I will ensure that on my part

• Working papers shall always be kept securely for a period of 5 years so that unauthorised access is not gained by anyone.

• The practice unit's attestation services procedures shall not be disclosed to third parties.

• Any information with regard to any matter coming to my knowledge in the performance or in assisting in the performance of any function during the conduct of peer reviews shall not be disclosed to any person.

• Access to any record, document or any other material, in any form which is in my possession, or under my control, by virtue of my being or having been so appointed or my having performed or having assisted any other person in the performance of such a function, shall not at any time be permitted to any other person.

I understand that any breach of the provisions regarding confidential information contained in the Statement on Peer Review will be considered as gross negligence and, subject to investigation, will result in appropriate action.

Signature :
Name :
Designation :
Date :
Place :

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