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Quality Assurance Review Handbook, 2012

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Foreword

The INTOSAI has announced International Standards of Supreme Audit Institutions (ISSAIs) underscoring the significance Quality Assurance (QA) activities for Supreme Audit Institutions. On the basis of decision of 40th Governing Board meeting held in Hanoi, Vietnam on 8th August 2010, in, a cooperation agreement was signed by eleven heads of SAIs and IDI for IDI-ASOSAI program on "Quality Assurance in Performance Audit for developing hand book for quality review.

The Quality Assurance handbooks on financial and performance audit were drafted by IDI's instructor and expert. These drafts were delivered to the participants in the Quality Assurance Workshop in Mangolia and Indonesia for Quality Assurance in Financial Audit (QAFA) and Quality Assurance on Performance Audit (QAPA) in Malaysia and Thailand. Subsequently, these were piloted by the participants of the respective SAIs for testing the practical application of the draft Quality Assurance Handbook and presented in the review meeting of IDI-ASOSAI.

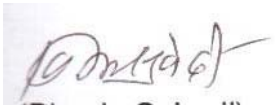
The objectives of this Handbook are to highlight the importance and benefit in carrying out both financial and performance audit of OAGN by generating high quality audit reports. This Handbook further aims to transform conceptual framework of QAR into practical application. For smooth transformation of this handbook necessary guidance, tools, templates, checklists and samples are provided in appendices for easy understanding and assistance to the users.

OAGN believes that quality of the audit products can be ensured only having a conceptual framework in QAR that ensures conformity with the good international practices and procedures at all the stages of audit and providing high quality reports for information to its stakeholders. The conceptual framework and consistent practice of QAR with Code of Ethics pronounced by INTOSAI and IFAC will be fruitful for ensuring the presentation of high quality audit reports and information.

OAGN issued the "Quality Assurance Handbook" in August 2009. The extensive review of handbook as carried out which culminated in bringing out the revised version of Quality Assurance Review Handbook, 2012 in a single set of book.

This Handbook is based on Quality Assurance Handbook in Financial Auditing and Handbook on Quality Assurance in Performance Auditing published by IDI-ASOSAI. This handbook will come into effect from 12th February 2013. I believe that this Handbook will facilitate and encourage users in its application and ensure presentation of high quality audit report and financial information for the use of the stakeholders with wide range of information.

I appreciate and express my gratitude to IDI-ASOSAI, team leader of QAFA and QAPA program, participants of SAIs and officials of OAGN for their support and valued contributions in bring out this revised Handbook, comments or suggestions from readers and users will be appreciated in weeding out the inconsistencies, if any left, for the future revision.



(Bimala Subedi)

Acting Auditor General

Date: 31th December 2012

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Abbreviations and Acronyms

AAG	Assistant Auditor General
ADB	Asian Development Bank
AG	Auditor General
AO	Audit Officer
AT	Audit Tool
ASOSAI	Asian Organization of Supreme Audit Institutions
AFROSAI-E	English-speaking part of African Organization of Supreme Audit Institutions
AQMS	Audit Quality Management System
CAATs	Computer Assisted Audit Techniques
CCU	Central Co-ordination Unit
CFS	Critical Factors for Success
DAG	Deputy Auditor General
DIR	Director
EDP	Electric Data Processing
FA	Financial Audit
GAAP	Generally Accepted Accounting Principle
ISQC	International Standards on Quality Control
IDI	INTOSAI Development Initiative
IFAC	International Federation of Accountants
INTOSAI	International Organization of Supreme Audit Institutions
ISA	International Standards of Auditing
ISSAI	International Standards of Supreme Audit Institution
IT	Information Technology
KPIs	Key Performance Indicators
MOPS	Matters of Potential Significance
MoU	Memorandum of Understanding
OAGN	Office of the Auditor General, Nepal
PAC	Public Accounts Committee
PA	Performance Audit
PAD	Performance Audit Division
PAG	Performance Auditing Guide
PAQRS	Post Audit Quality Review System
QA	Quality Assurance

QAC	Quality Assurance Committee
QAFA	Quality Assurance on Financial Audit
QAPA	Quality Assurance on Performance Audit
QAR	Quality Assurance Review
QARRF	Quality Assurance Review Recording Form
QC	Quality Control
QMS	Quality Management System
R&D	Research and Development
SAI	Supreme Audit Institution
TOR	Terms of Reference
WP	Working Paper
3Es	Economy, Efficiency and Effectiveness