

PKF TRU Newsletter – July 2019



PKF TRU updates

PKF TRU Breakfast meeting

PKF TR Upadhy & Co. organized breakfast meeting on 30 June 2019 for partners, directors, managers and senior audit team members to discuss on the Industrial Enterprises Rules 2076, false assurance and other topics including audit planning for FY 2075/76 (2018-19).

Partners, managers and supervisors participated in the meeting chaired by Mr. Shashi Satyal, Partner. Major discussions in the meeting were:

- The discussion on the Industrial Enterprises Rules 2076 was facilitated by Gaurav Pahari. Important clauses including clarifications and add-ons were discussed and analyzed during the presentation including impact on various industries and our clients. It was agreed that industry-wise implication of these new rules as discussed in the meeting should be prepared and shared with our clients.
- A very informative video by ICAEW on False Assurance was shown in the meeting. This video had 4 parts of 15 minutes each. Different fictional characters were presented in the video where a hypothetical storyline of business professionals and auditors was enacted. The key takeaways of the video were:
 - how to carry on our duties by becoming professionally skeptic as an auditor,
 - how paying attention to tiny details can give useful information helpful in audit,
 - how to exercise professional judgment during important situations, and
 - what factors we need to consider if we observe / suspect a fraudulent circumstance.
- Mr. Sanjeev Kumar Mishra, Partner and Mr. Santosh Lamichhane, Director shared their experience of the training on “Executive Leadership in Action” they attended in London from 10-14 June 2019 organized by Crown Agents, UK.



Mr. Sanjeev K. Mishra receiving certificate of participation

- Importance of implementation of CCH in our audit engagements was discussed. It was decided that CCH implementation would be a priority for this year assignments.
- Discussion on new timesheet portal was done. Particular emphasis was given for organizing the training on electronic timesheet for all levels of executives.
- Inclusion of Journal Voucher Testing in our audit assignments was discussed. Emphasis was given that such testing needs to be carried out in a planned manner in all of those assignments.

Overall, the meeting was productive to all the participants with insights from the Partners and careful evaluation and dissemination of knowledge from the experts of the firm.

TRU organizes these meeting every last Sunday of the month to discuss latest changes in regulations and share knowledge and experiences amongst each other

Recent updates

Industrial Enterprises Rules 2076

Industrial Enterprise Rules 2076 was enacted on 2076.1.30 by GON under section 55 of the Industrial

Enterprise Act 2073 (IEA). These Rules have become effective from 2076.1.30 (13 May 2019).

Major topics covered in the rules are registration of industries, issuance of registration certificate, permission to be obtained from the board, extension of commercial production, prior permission for relocation of Industry, submission of annual returns, informing department of industries of closure of industry, cancellation of registration, permission to be obtained for change in fixed capital or capacity, import of goods through bank guarantee, concession for women entrepreneurs, approval for import, simplification for purchase/availability of land, one stop service center, Sick industries, methods of identifying Sick Industries, categorization of Sick Industry, benefits, concession and discounts to the Sick Industry, contract manufacturing and corporate social responsibility.

To access highlights of Industrial Enterprises Rules 2076, [please click here](#).

Monetary Policy 2076-77

The Central Bank (NRB) will announce the Monetary Policy for the year 2076-77 on 12 July 2019. The monetary Policy is expected to announce the ‘Big Merger’ of the commercial banks and create measures to support and achieve targets outlined in the budget for 2076-77 primarily the economic growth of 8.5% and keeping the inflation within 6.5%.

[Watch out for our publication ‘Highlights of the Monetary Policy 2076-77’.](#)

PKF TR Upadhy & Co., 124 Lal Colony Marg, Lal Durbar, Kathmandu, (Near Jai Nepal Hall) Nepal +977 1 4410927 | 4420026
www.pkf.trunco.com.np

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