

**Effectiveness of Public-sector Audit Policy to maintain financial  
Accountability and Discipline in Nepal**

**Submitted to:  
Central Department of Public Administration  
Faculty of Management  
Tribhuvan University, Kathmandu, Nepal**

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In Partial fulfillment of the requirement for Degree of MPhil in  
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**“Effectiveness of Public-sector Audit Policy to maintain financial Accountability and Discipline in Nepal”** and found the thesis to be the original work of the students and written according to the prescribed format. We recommend the thesis to be accepted as the partial fulfillment of the requirements for the Master of Philosophy.

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I hereby declaration that the thesis entitled "Effectiveness of Public-sector Audit Policy to maintain financial Accountability and Discipline in Nepal" is all my own resources work and the resources of information's and material. Material, Resources, Information, and other relative's data & document those, which I have used in these theses fully, entitled and acknowledged. This is my own original and innovative work that has awarded for Master of Philosophy (MPhil) in Public Administration.

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(.....)

Ajaya Kumar Sapkota

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## ABSTRACTS

Publically issue of irregularities, corruption, fraud, misuse of public resources has been increasing rapidly. Auditor General Annual audit report also expose the various financial irregularities' theoretical and cost issues, which has been repeating & increasing in volume every year in report. Every fiscal years follow-up audit has conduct for settlement of irregularities issues and objection raised OAG/N but no significance improvement in it. Amount is piling up to 41885 Coror and amount to be settlement 25758 Coror. Annual audit report of AG raise different objection amount to settle, however there is no significance change in issues of irregularities, financial discipline, accountability. Citizen and societal need to know the answerability of public resources through audit policy cycle effective operation to get best outcomes to maintain financial

Discipline and accountability as well as audit objection gaps in finding to settlement and way forward to financial governance. Answerability of public officials who are liable to executing financial management and operation public fund has to maintain financial discipline by audit policies & its report has attract to research.

Research has conduct to

analyzing how audit policy cycle, audit report, institutional arrangement, changing paradigm, disciplinary partners' works for financial discipline and accountability. Here in research searching for the answer of these questions are ' sufficiency and adequacy of prevailing audit policy and implacability, Implementations situation and outcomes for maintain financial governance. Reliability of risk analysis and audit planning, capacity of workforce, absorbs ion capacity of transformative audit policies, executions of annual audit report and action on irrigator, adaptation of changing paradigm for financial reform, efficient of intuitional arrangement and role of audit partners to deliver the healthy and soundness in financial transaction by minimizing audit objections'. The objectives of research to known status of public-sector audit police's effectiveness to create public official accountability for

<b>TABLE1METHODOLOGY AND SAMPLE MODEL</b>			
S. No.	Block of Research	Source	Action
1.	Foundations	Source of Knowledge	Ontology-realism/objectivism, Nominalist/Constructivism/Subjectivism
2.	Positions	How acquire the Knowledge	Empiricism/Nominalism
3.	Framework	Pragmatism	Pragmatism
4.	Strategies	mixed approach	(Quantitative-Qualitative-Quantitative) mixed approach
5.	Methods	Survey	A. Primary B. Secondary
<b>Data collection</b>			
<b>Quantitative Analysis</b>	Primary	<ul style="list-style-type: none"> <li>•Populations: 3500/ more homogeneous,</li> <li>•Sampling size-105</li> </ul>	
	Secondary data	<ul style="list-style-type: none"> <li>• Annual report of OAG/PAC/ other committees</li> <li>•study of literature of audit, account &amp;Relevant literature</li> </ul>	
<b>Qualitative Analysis</b>		<ul style="list-style-type: none"> <li>•Key informant interview of Annual report of OAG/PAC/ other committees</li> <li>•study of literature of audit, account &amp;Relevant literature</li> <li>•observation of audit, accounting activities &amp; follow up system</li> <li>•focus group discussions</li> </ul>	
6	Sample technique	Judgmental	
7.	Data analysis methods	center tendency, dispersion-correlation regressions	

utilization of public fund without financial misconduct to maintain financial governance in general and specifically effectiveness of execution of audit report, policy adequacy and implantation results, audit partner and arrangements institution toward the financial correction for minimizing irregularities and fraudulent practices.

Hypothesis has set for the audit polices & its implementation, report executions, role for institutional arrangement & partners, new paradigm of audit. After reviewing related literature set conceptual framework with dependent variable MFDA on other independent, mediating and extraneous variables for conducting research. Philosophical foundation of **Ontology** with realism & objectivism as well Nominalist/Constructivism/Subjectivism as consider has conduct **Empiricism Nominalism** research at framework of **Pragmatism** with applied **methods of mixed approach** (Quantitative, qualitative and quantitative) to finding results. For the research, propose data collected primarily with respondent of OAG, OCG and government official has different age, sex, post and qualification. Official directly and secondary data form annual report of OAG, PAC and other committees, official publication of literature and data. Data are analysis central tendency & dispersion, Key informant interview of annual report of OAG, focus group discussion, observations, secondary data are analysis to reach conclude.

Result & data from execution field survey and secondary data shows highly correlation among the independent variables and dependent variable. Most of respondent response of 'validity frequency of questionnaires' has been agree on statement those, which has related to IV on DV. Statically test shows significantly positive liner relation between IV& DV. R<sup>2</sup>, b, F value result get to conclude that Public sector audit policy has vital role for maintenance of financial discipline and accountability, however other financial. Monitory policy has also important role. Prevailing policy are working efficiently but room for improvement for better outcomes and minimize irregularities to improve financial governance. Audit risk and planning work right but it make to specified. Financial accountability answerability raise by audit report that questioning through PAC and take actions. Institutional arrangement and partner has vital role for minimizing irregularities however intuitional capacity week &poor performance.

This study conducts for partially fulfillment of requirement of MPhil degree even though it has implacable for the researcher, audit & account official, politician-bureaucrat- branch of government because of positivist approach and empirically study. Data primarily collected from real field by using statistical tool analysis. Secondary data collect from authorize publications with evidences with analysis descriptively. It has implacable in financial field to minimize irregularities, misuses & misconducts of public resources, reduce financial fraudulent practices and corruption.

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## ACRINYMS AND ABBREVIATION

- AG- Auditor General
- ASOSAI- Asian Organization for Supreme Audit Institution
- CIAA- Commission for Investigation of Abuse of Authority
- DV- Dependent Variable
- EOEAAR-Effectiveness of execution the annual audit report
- EOIAP-Effectiveness of Implementation Audit policy
- EOPSAP-Effectiveness of public sector Audit policy
- EOPSIA- Effectiveness of public sector Institutional arrangement for addressing audit objection and finding
- EV- Extraneous Variable
- GAAP-General Acceptable Accounting Principle
- IESBA- International Ethics standard Board for Accounts
- IFAC-International Federation for Accountants
- INTOSAI- International Organization for Supreme Audit Institution
- ISA-International Standard of Auditing
- ISSAI- International Standard of Auditing of Supreme audit institutions
- IT- Information Technology
- IV-Independent Variable
- MFDA-Maintain financial Accountability and Discipline
- MV- Mediating Variable
- OAG- Office of Auditor General
- OAG/N-Office of Auditor General, Nepal
- OCG- Office of Comptroller General
- PAC-Public Account Committee
- PEFA- Public Expenditure and Financial Accountability
- PMF- Public Financial Management
- ROPSAP- Role of public sector Audit Partners (Auditees (OCG), Irregularity Settlement & Evaluation and Monitoring Committee, Irregularity amount Settlement Evaluation and Monitoring Committee & Ad-hoc committee)
- SAARC-South Asian Association for Regional co-operations
- SAI's- Supreme Audit Institutions
- TFA- Time for auditing, discloser in financial statement, and management involvement in fraudulent practices are extraneous variable, which has limited the audit policy effectiveness

## CHAPTER-I: INTRODUCTION

Public sector audit policy, which govern the audit process or cycle (identification, planning/ methodology /standard establish, conduct field stage/ audit execution/ data collection, reporting, follow up) of public sector. Effectiveness is achieving the expected or pre-determined plan/program/goal/objective/ target to optimum. Accountability is pillar of governance where individual, official and institutionally has obligation of answerability to their action or activities legally, morally in the set organization value. Public official are liable for action and inaction that make reward or punishable in activities. Financial discipline has to maintain free, fair, and sound financial system that are responsible to eliminate fraud, corruption and irregularities of financial system. Here public sector audit policy's effectiveness has stimulation the financial corrective action against manipulation and irregularities that triggered the unhealthy financial system, fraud and corruptions. OAG has execution audit through the public sector audit policy which effectiveness has boost up clean financial system. OCG staff to obey financial rule-regulation and objection of audit as well as public accountable official act loyally responsible for public money toward budgetary and legal obligation. Audit partner OAG, OCG, PAC, different committee, program executor official has responsible to financial accountability and discipline, that has been explore by public sector auditing using tool as audit policy. Audit finding, facts has to be maintain by auditees and promote action on them by PAC. Research has go through the maintain accountability and discipline in public sector by audit policy or not.

**1.1 BACKGROUND OF STUDY:** Financially accountable and discipline financial system, administration & official has been expected to liberal democratic nation to assurance financial governance, however these day financial irregularities, fraud & malpractice, corruption, misuses of resources and manipulation of public fund has been increasing continuously. Auditor General annual report and other national-international agencies expose the financial irregularities in huge amount yearly, but very few settlements being formality & with taking legal action against them. Budgeting to monitoring every step there is undisciplined behavior, miss utilization of resources and unaccountable attitude and weaknesses. State has audit provision and policies, rule & regulation for auditing system, that Auditor General submitted annual report from 2019 B.S. and still 58th report has been submitted and every year parliament discussion on issue raise by auditor general report about irregularities but there significantly irregularities has been increasing more than decreasing. Effectiveness of audit policy and accountable partners activities are questionable for maintain financial soundness. Audit's optimal product annual report has basic aim for promote financial discipline, how audit policy's effectiveness is helping to auditing to explore fact about irregularities and corrective action for shake of state and here we are study and get conclusion. Auditing is not only verification of voucher, book, ledger and relate documents, but it is also verification of accuracy, correctives, analysis intended outcomes or result of program & projects, inspection & correctives of policy and program, violence of rule and regulations, achievement of target goal or aim of financial transaction and national priorities. Audit conduct on basis of regulatory, efficiency, effectiveness, economy and proprietary. This day auditing is paradigm shift to environment, gender, IT, disaster, and community base participatory audit also conducts to create accountability. Internal control is also part of financial discipline. Role of Auditor general shift to auditing performance, compliance

and proactive relation to audit committee and parliamentary committee. Financial discipline helps to manage public resource as per setting national norms and goal, and maximization utilization of national resource & property and protect them on behalf of public benefit them, where reduce irregularities and future problems. Financial discipline for national revenue, expenditure, budget, recoveries & risk management etc. for that assign responsibilities, time to test / experiment and correction, not revise mistake, proper reporting system & control, follow financial plan program and project with obey rule regulation. Those benefited for sound financial system.

The definition of auditing according to Chaudhary (2053 B.S., p-9) is "inspecting, comparing, checking, reviewing, vouching, scrutinizing, examining and confirming the books of account of a company concern with a view to having a correct and true concept of its financial condition affairs." -M.L. Shandliyaa "(Chaudhary, 2053 B.S., p-9)". Technical ability and performance should be of a caliber commensurate to the complexity of a given audit. Auditors must be on the lookout for circumstances, control flaws, record-keeping deficiencies, errors, and odd transactions or results that could be signs of fraud, illegal or unlawful spending, unauthorized operations, waste, inefficiency, or a lack of probity. (Office of auditor general, Nepal, 2005)

Soll said that As soon as the kingdom became worried in accounting and auditing, numbers and morals mixed with politics. In ancient Athens, accounting changed into visible as related to political accountability. From the start, a complicated system of bookkeeping and public auditing changed into at the coronary heart of democratic authorities. The Athenian treasury became taken into consideration sacred and stored at Delos beneath the watchful eyes of its treasurers. Humble citizens and slaves were educated and hired as bookkeepers. For the most element, Athenians favored public slaves as comptrollers and auditors because they could be tortured on the rack and freemen could not. There have been higher officials and e-book checkers who oversaw public debts. In evaluation to oligarchies—in which the effective few ruled and there were no structures of financial duty—democratic Athens had systems of duty. (Soll, 2014, p-24) You could say that the purpose of auditing is to give the financial statements some legitimacy. Management is responsible of the financial statements, and the auditor's job is to give them credibility. The auditor improves the utility and value of the financial statements through the audit process, but he also raises the credibility of other unaudited information made public by management mention by Wallage (Wallage, 2005, p-3)

Transparency of government plan, programs, and projects, proper use of government / public resource and mobilizing natural and non-financial resources, internal audit, internal control system and fiscal risk management make perfect, revenue and non-revenue income and expenditure in social value and productive area for being financial discipline. Where auditor, account responsible officer (secretary of ministry), responsible person (office Head), political actor and high bureaucrats, other partner of accountability's joint effort for aggregate financial discipline, strategic allocation and distributive justice of resources and efficient service delivery for better public audit policy to maintain accountable and discipline. Nepalese public sector statutory audit has provision constitutionally. Audit policies as act- regulation, standard, guideline and directives has been existing for public sector statutory audit, that has complying with international standard and prescribe form of international audit organization INTOSAI and ASOSAI, however of those audit policies six decades of auditing practices and experience, that there is no mentionable correction of financial irregularities than increasing day by day. There is publically question raise about auditing policy, why audit has not effectives, what follow up has done by SAI and its partners unable to

control financial healthiness. It may be amount or topically different, but materially similar type of irregularities are continuations in auditor general report for beginning to till, whom & what is responsible, why for this, how may effectiveness of policy to maintain financial accountability and discipline for these condition, this research directed toward it.

An audit policy outlines the norms and procedures that an institution must follow when performing internal and mandatory auditing. It also directs the Comptroller General and Supreme Audit Institutions of the Nation in how to carry out their roles and processes in order to produce results or conclusions. In order to comply with a government agency's rules, an audit policy may also be put in place. To reassure external stakeholders or investors about the company's overall financial health, external audits, which are frequently formal accounting procedures, are performed. External audit policies frequently address the Auditor General undertaking the audit, the procedures that will be inspected, the internal controls that the auditors will investigate, and the frequency of external audits. The audit policy may also apply to corrective audits, which are formal types of audits intended to evaluate previously unsuccessful external audits. For public sector auditing to be credible, high quality, and professional, there must be professional norms and principles. For public sector auditing to be credible, high-caliber, and competent, professional norms and procedures are required, according to INTOSAI. To encourage independent and efficient auditing by supreme audit institutions, the International Organization of Supreme Audit Institutions published the International Standards of Supreme Audit Institutions. In order to assist SAIs and individual auditors in improving organizational performance and effectively implementing and applying the ISSAIs, management and individuals responsible for governance may mandate SAIs to carry out a variety of engagements on any topics relevant to their duties. By putting a strong emphasis on the concepts of openness, accountability, governance, and performance, audit policies play a crucial role in improving public-sector administration in democratic liberal governments. Different auditing guidelines, such as financial audit, have been published by worldwide auditing organizations. FA Fundamentals ISSAI 200-299. FA Standards Performance Audit, ISSAI 2000-2899. PA Fundamentals ISSAI 300-399 CA Principles ISSAI 400-499, PA Standards ISSAI 3000-3899, and Compliance Audit. ISSAI 4000-4899, Other Engagements, CA Standards. ISSAI 600-699. ISSAI 6000-6499.

The mission of the Office of the Auditor General of Nepal is to offer the country with independent and high-quality audit services. The organization's objective is to be a credible institution in promoting accountability, transparency, and integrity. Integrity, Independence, Professionalism, Transparency, and Accountability are the key values of OAG. According to audit-policy and yearly program auditor general office set as audit policy are provision of constitution, audit act, financial audit guideline 2073, other guideline of auditing issues by auditor general including 33 areas which has been applied to auditing as set norms and standard to conduct audit for better outcomes for public financial management. The Office of the Auditor General's Auditing Standard, Part I, 2005 takes the Audit Policy as the Fundamental Principle, General Field Reporting Standard, which has assured the Independence and Objectivity, Competence, Due Care, Confidentiality of Information, Quality Assurance Review, Professional Judgment, more common standards. With growing public awareness, the need for public accountability of those managing public resources has become more apparent, necessitating the

establishment and efficient operation of the accountability process. This process will be facilitated by the development of proper information, control, evaluation, and reporting systems within the government. Public region audit policy in Nepal are issued from medieval time of records, in presently constitutional provision, audit act, tenet and preferred and other directives are issued for nice fact findings & outcome form the audit execution goes towards the monetary discipline and duty that is maximum nearer to economic governances. Audit policies are recognition by international and national guideline, which has to directing audit intuition and individual auditor for audit plan, process and outcomes for to best outcomes as audit report. Audit policy effectiveness of policy and policy implementation fact-finding and audit objection realization of financial governance through uses of public resources appropriateness and lawfulness make discipline and accountable public administration and financial activities.

The effectiveness of the audit policy cycle, which includes successful formulation, implementation, rectification, and special audit, as well as the applicability of audit to accomplish desired goals, are the objectives of audit policy effectiveness. Efficiency audits adhere to the same criteria and general procedure as other performance, value for money, or internal audits, claims the Canadian Audit and Accountability Foundation. Auditors must adhere to the standards and auditing procedures that are appropriate for their area of expertise and office mandate. Following the efficient attainment of processes, information, and resources to achieve the intended results by increasing audit reliability, it is recognized as a general system, management system, organizational structure, and optimum arrangement. Risk assessment, audit plan-audit program, corrective action (audit follow-up, monitoring, and evaluation), objections, and maintainability are all aspects of availability. Audit policies, which create standards, and the execution of or results of auditing the execution of effective rules are used to gauge audit effectiveness. The initial field audit, preliminary audit report, certified financial statement, observations activities, and rectification, as well as special auditing where management for financial governance resolves audit objections, are conceptually required to achieve the effectiveness of the audit policy.

**1.2 STATEMENT OF THE PROBLEMS:** Auditing system has been introducing for checking the governmental financial activities as watchdog. Financially accountable official and responsible person has duty and obligation to answerability and responsibility to executing public fund. These few decade irregularities have increased, fraud and corruption practice are grown up, manipulation and misuses are overflow or floated everywhere, that is explain by auditor general, CIAA, transparency international and international financial institution report. Every year audit exposes large number of irregularities, but settlement is very few amounts. Financially indiscipline and lack of responsiveness of governmental official and political actor, out of track financial transaction, where corruption, irregularities and fraudulent practices are institutionalization and repeated in same manner every year. Responsibility and accountability of audit policy execution, financial transection actor, political actor, parliamentary committee as effectiveness are questionable these days by public and international intuitions. Auditor testing of accuracy, correctness has gotten real fact finding of transection, which help to take action as far as correction on financial and

economic system as well as building corrective financial environment with liable auditing policy & system.

- a) Current auditing policy and process, is it possible and effectiveness to explain all kind of irregularities, assessment to maintain financial discipline? Rationality of implementation process of audit policy in Auditing system would to explain all activities equally way for person & institutional practice on their discipline and accountability?
- b) Audit has enable to verify fiscal policy, system's complexity & non-clarity, verity of job nature & transform system, executor's skill, knowledge and resources sufficient to lead with accountability and discipline? Political actor and higher bureaucrat's responsibility & discipline has not influence in overall financial activities.
- c) Audit policies could have efficiency to analysis audit risk (Inherent, control, residual), correlated to each other or not for fair and free from financial error? How accuracy of Planning based on assessing Audit Risk to explore the financial irregularities, undisciplined and unaccountability? Is there proper management of risk to explore fact and irregularities through proper formulation and execution of audit plan?
- d) Does current audit policy has sufficient to task management, audit plan, execution with time management to make product realistic report for creating accountability and financial discipline? Execution of annual audit Report promote Economics and financial soundness in that context or not? Current follow up auditing system ensure to corrected financial misconduct and misused of public money?
- e) Is Annual audit report being adequate, credible and sufficient product of execution of current audit policy to fact finding? Is it possible for audit policy to analyzing answerability and accountability of public treasury or fund? Could repeating and increasing volume of irregularities and insufficient settlement of irregularities addresses lapses of discipline and accountability?
- f) Changing paradigm of audit as audit of environment, IT, public participatory, gender, and performance audit, does it make accountable, and discipline administration or not? Fraudulent audit, timely audit practice has necessary for answerability or not?
- g) Can it be possible to generate accountability and discipline in social value and justice of public fund through audit partners role and Institutional arrangement of public financial management that have assessment by auditor ?

Reporting of auditor general has said to be post mortem activities, so it is difficult to raise actual irregularities, where is raising and current issue of irregularities. It covers off such case and take action. Does it has been possible for current audit policy & office of auditor general to explore inefficiency on financial accountability and discipline of public institution? Does Concurrent auditing system and audit policy make possible to post activities of public financial activates make corrective and accuracy? Audit has prime motto to make discipline and accountable to financial & economical society and system where audit system is not only absolute, but also most important tool. Audit policy are not constant as well as accountability and discipline it is not rigid form because of benefited public with best outcomes and result.

**1.3 OBJECTIVES OF THE STUDY:** Study mainly focus on how more than six decades there has been significantly different in mode of irregularities or not. Contemporary audit policy, audit report, irregularities settlement practices overall analysis to find out how it work on accountability and maintaining discipline.

**Overall objective:**

- a To explain Audit Policy's accurateness, properness and proper execution for efficient and effectiveness audit service delivery to society, financial administration, budgetary system to make them discipline and accountable.

**Specific objective:**

- b To analysis effectiveness of Auditor General's Annual Audit Report execution to generate transparency, accountability, credibility. Exploring contribution report for disciplinary action to maintain responsible & healthy financial system.
- c To access the importance of auditing policy for accomplishing fact finding to create accountability and discipline for account responsible official, responsible personal and liable person to answerability.
- d To determine value of audit policy and process to maintain responsibility, accountability & discipline by public official. Analysis the audit policy effectiveness through new paradigm and action on fraudulent practices.
- e To explore role of Audit Partners and institutional arrangement for boosting OAG report for financial accountability & discipline and taking disciplinary action on irregularities.

**1.4 SIGNIFICANCES OF THE STUDY:** This study useful for explore disciplinary system and action on financial area of government, stronger and weaker part of auditing policy to explore fact against financial accountability and discipline, value of public audit for minimizing irregularities and irresponsibility of financial actor. Annual Audit Report of auditor general to contribute in financial governance and creating accountability. Economic discipline on national investment, distributary system, natural resources, income and government property for proper utilization. Promoting curiosity on laps and differentiation on financial irresponsibility, undisciplined, unaccountability with in governance that helps political actor, bureaucrats, researcher & investigator, student, stakeholder, or other interest people for finding general fact.

Similarly political actor or policy maker as well as policy executor has understanding current scenario of implemented auditing system, public demand and need of national financial correctness and economical soundness. It promote high official for amendment and strengthen of financial policy, transaction process and controlling mechanism for boosting financial accountability and discipline. Auditor rectification risk (inherent, control, residual) on audit to deliver effective report and service to nation. Accounting procedural, control mechanism, accountability bearing systems and personal condition alarm in report help to corrective action. Finally, it is credible for strategy maker, stakeholder, policymaker, and common people for action against indiscipline and unaccountability to reform in financial administration.

**1.5 HYPOTHESES OF THE STUDY:** Hypothesis prediction, research conceptualization framework to experiment, observation, and statistical analysis of data to get into conclusion. Hypothesis are generates on the basis of research statement, where dependent variables is maintain financial accountability and discipline and independent variable are audit policy and auditing, rule and regulation effective execution, action of different execution of policy actor & partners, parliamentarian committee and ombudsman. Conducting the research to applying *causal and association hypotheses*, which has cause and effect relation and interdependency between variables where change or manipulation on the dependent variable change in financial accountability and discipline dependent variables. This study will test the following hypothesis (hypotheses based on test of significance for double mean);

**I) Hypothesis-1**

- **Null Hypothesis (H0):** There is no significance difference between effectiveness of current audit policy & procedure and its audit outcomes to maintain financial accountability and discipline.
- **Alternative Hypothesis (H1):** There is significance difference between effectiveness of current audit policy & procedure and its audit outcomes to maintain financial accountability and discipline.

#### II) **Hypothesis-2**

- **Null Hypothesis (H0):** There is no significance challenge and obstacle for corrective action or follow up audit to minimize irregularities as implementation of audit policy to maintain financial accountability and discipline.
- **Alternative Hypothesis (H1):** There is significance challenge and obstacle for corrective action or follow up audit to minimize irregularities as implementation of audit policy to maintain financial accountability and discipline.

#### III) **Hypothesis-3**

- **Null Hypothesis (H0):** There is no significance importance of annual audit report of Auditor General and analysis of regularities, propriety, economy, efficiency and effectiveness to maintain financial accountability and discipline.
- **Alternative Hypothesis (H1):** There is significance importance of annual audit report of Auditor General and analysis of regularities, propriety economy, efficiency and effectiveness to maintain financial accountability and discipline.

#### IV) **Hypothesis-4**

- **Null Hypothesis (H0):** There is no significance importance to effectiveness of public sector Institutional arrangement for addressing audit objection and finding.
- **Alternative Hypothesis (H1):** There is significance importance of annual audit report of Auditor General and analysis of regularities, propriety economy, efficiency and effectiveness to maintain financial accountability and discipline.

#### V) **Hypothesis-5**

- **Null Hypothesis (H0):** There is no significance role and contribution of audit partners and financial regulation activities of regulatory partners and personnel to maintain financial accountability and discipline.
- **Alternative Hypothesis (H1):** There is significance role and contribution of audit partners and financial regulation activities of regulatory partners and personnel to maintain financial accountability and discipline.

#### VI) **Hypothesis-6**

- **Null Hypothesis (H0):** There is no significance difference between changing paradigm and social value, sphere, & public expectation to maintain financial accountability and discipline.
- **Alternative Hypothesis (H1):** There is significance difference between changing paradigm and social value, sphere, & public expectation to maintain financial accountability and discipline.

**1.6 SCOPE OF THE STUDY:** The scope of the study mainly focus on auditing report, audit rule, regulation, guideline, and other publish& unpublished material of Auditor General, parliament committee, comptroller general publication of Nepal. Likewise, we

supporting study as some country audit of SAI of SAARC, INTOSAI, ASOSAI, IFAC and other relative entities and organization. Primarily, we has conduct interview and focus group discussion, questionnaire to concern parties, whereas secondarily we focused on Publish and unpublished document, report, guideline, material and other relatives literature of OAGPAC and other nation and international organization of Auditing and accounting. This research focus to policy level person, group, document and relative tool, which finding is more effective for further improvement in future.

**1.7 LIMITATIONS OF THE STUDY:** Study has limited by time, fund and access to research sources. Secondary data, and indirect collection questionnaire has depended on reliability source and participating person as well circumstances of availability of genuine information for research. so these are the limitation of study;

- a) Research mainly *based on secondary data*. Annual audit report of auditor General, *publish and unpublished data and information* of auditor general, other publication of auditor general, publication of government (national planning commission, commission for investigation and abuse of authority, ministry finance, publication of comptroller general and other entity & NGO etc.)
- b) Report and *publication availability of public account committee*.
- c) *Questionnaires, interview, discussion* with concern authority or official has conducted and their view ere format so their reliability influence study.
- d) *Accuracy of secondary data* make it more reliability.
- e) This research has conducted on the requirement of *partial fulfillment of master in philosophy* of public administration.

**1.8 STRUCTURES OF THE STUDY:** Structure of study generally divided into five different head, where discloser, conversation questionnaire & interview, writer and scholar view of related field, primary and secondary raw data and information are presentation, evaluation and get into conclude (inductive to deductive). Study is sequentially present as introduction, method, result, decision, conclusion, and recommendation while general to narrow down and get summary, finding and recommendations. They will be as follows;

- I) **CHAPTER 1- INTRODUCTION:** Introductionary chapter shows the background of study, brief introduce subject matter or issues to raise for research, going to defining the study area of research to concluding research, why to select this topic and what is important and how it get into new knowledge of paradigm or new understanding. It shows insufficiency, deficiency in literature or theoretical area and giving empirical or policy or border contribution to field.
- II) **CHAPTER2- REVIEW LITERATURE:** Literature review we study different book, report, research paper, whatever it may be published and unpublished, Auditor general 10 years report, public account committee's report and other publication and other relative material of international organization for supreme audit institution and Asian suppertime audit institutions and other institution' audit publications. Concern subject, concept, problems and its gaps, consistency, and SWORT are analysis.
- III) **CHAPTER 3- RESEARCH METHODOLOGY:** Different philosopical background we using Mixed research method collceting and analysis the data with using software SPSS. Data collected through primary and secondary tool on population and qualitatively concern with discussion focus group inerview and

questionnaires etc and secondarily use different publish and unpublsh data, doxuments,book & journals etc.

**IV) CHAPTER 4- DATA PRESENTATION AND ANALYSIS-** presentation of data systemetically presented, inductive method to collect and tabulation of data where both qualitative and quantative method are used to collected data.

**PART-1 AUDIT POLICY, AUDIT REPORT, ACCOUNTABILITY, AND DISCIPLINE MAINTAIN-**Main issues, difference, influencing factor, other problem relative material and audit partners activities or effects, role to defining accountability and maintaining discipline has simultaneously presented.

**PART-2- QUESTIONNAIRE DATA COLLECTION AND STATICALLY ANALYSIS &INTERPRET:** Grounded method also use to interpreted data. Interview, Questionnair and discussion with concern responsible official, actor, and general people. Similarity, regulare and annoying problem are stated in qualitive form and change to quantative form. Qualitative data form grounded model to framing the value. Data are collected and framing relating to research question to analysis the problem. Central tendency and dispersion are calculate to quantative date and according to value or numerrically output make to similiraty, scitifically relaiable result get into conclude.

**V) CHAPTER 5-SUMMARY, CONCLUSION, SUGGESTION AND RECOMMENDATION-** Aim of research has mention with theme of study or conclude opinion has presented. The test, experiment of research study's significance or outcomes & information finding, problem s summaries result, main or pain point and challenge , solving challenge, getting solution & acknowledge and finding factor , achievement of research goal or suggestion to solve the challenge and submitted in this section after research.

**REFERENCE AND BIBLIOGRAPHY:** Idea reinforcement on literature, articulation of knowledge, study material and tool uses, book, bulletin, publication are mention here. Format use APA according to university norms has wrote in this section.)

**1.9 CONCLUSIONS:** Introductory Chapter, I have included those part where need to research, What are problems or question raise, rationality & significances, hypotheses for testing, scope and limitation to these study or obstacles to face in research and structure to study which generally conceptualization of study



## CHAPTER-II: LITERATURE REVIEW

Hemple claims that A literature review is a summary of the study that has been done on a particular area of science. Literature reviews synthesize prior research to address review questions, set the stage for future study, or point out critical gaps in the body of knowledge. Nowadays, we have easy access to a wealth of information and are well versed in the scientific approach of literature reviews. Conducting a literature review gives psychology and social science students a great chance to make use of the information from previous studies and to do it in a way that is similar to how primary research is designed and carried out. But in order to do that successfully, it's critical to learn how to perform a literature review that results in solid, accurate judgments regarding the body of research literature. (Hemple, 2020,p-3) In this section we reviewed literaturally which relatively contribution our research. Public sector audit policy's adquecy,relevency & their gaps, that will have been influence the products or output effectiveness. Their relevet literature which has further way forward for research and literally understanding subject matter of concern.

Public Policy is specific proposal, decisions and value that directed the desire, general state affair, label activities, goal, program, output-outcomes, theory, which is formally authorize by authority of government. Lasswells say that societally relevant knowledge as policy. Auditing is inspection, inquiry and analysis of account, document, relevant evidence and financial activities and issue report with opinion. Audit policy are those relating to audit procedure coverage all the activities form formulation of plan to delivered report and follow up too. Auditing of financial activities, which look toward financial soundness or eradicating irregularities, fraud and manipulation for financial governance that make responsible person to be accountable and mention financial discipline. Harrias clarifies. The process of choosing material and reviewing (reading) it is one approach to frame a literature review. This broad description encompasses a variety of activities. For example, some literature reviews are quite formal, using set selection/inclusion criteria and analysis procedures to direct the entire process from beginning to end. .... In general, evaluating the literature entails being acquainted with publications in a certain field, but this does not explicitly define the project's scope or nature. The formality and severity of literature review methods might vary, and the goal for which you are conducting the review will determine the appropriate scope. (Harris, 2020, p- 77) So these literature review are based audit police rationality for accountability and find the gaps, unseen vaccum which is obstacle for effectiveness to financial discipline.

**2.1 INTRODUCTION:** Audit and financial accuracy has intimate relationship because audit finding not only for corrective action but also improving further policy and budget cycle Moreover, Auditing not only implementation part but policy to outcomes so external or final audit overall evaluation of existing scenario of financial activities which guided by audit policies. In keeping with OECD, The file is also supposed to provide the government and the legislature with a better information of the importance, relevance and usability of best audit establishments' function and their current audit and counselling paintings. Similarly, it ambitions to provide superb audit establishments with a better expertise of the demanding situations that the govt. department faces. This record presents several examples of audit and advisory work that excellent audit establishments can also don't forget relevant concerning the governance demanding situations in their use of a, in addition to the strategic, fee effective steps it can take to integrate these challenges. This file promotes discussions between excellent audit establishments and the government and legislature on the basis that superb audit institutions have a unique birds-eye view of presidency and remain one of the maximum relied on public establishments, in spite of a decline in confidence in authorities and

legislature. Excellent audit institutions trustworthiness among citizens is essentially an end result of its traditional oversight role. despite the fact that this record highlights the capacity for best audit establishments to take on unique features, this have to no longer come on the expense in their oversight position of promoting duty in government. (OECD, 2016, p-21) Historically, Auditing start as word ' to hear' that has verified it is or not in actual. Auditing has verifying, comply and examine financial activities to the provision of act, rule, regulation, & other direction-guideline. Accepted principle-guideline of parliament and Executory Budgetary system for proper utilization of state wealth or public money has done with law, parliamentary boundaries to eliminate financial manipulations with obeying courteous financial responsibility. Auditing inquiry about their answerability according to authority allocating act or procedure. Reporting of audit finding goes to parliament with deliberating responsible or accountable person's degree of responsibility and accountability actual bearing status, which help to accountable and maintain financial discipline.

**2.2 PUBLIC SECTOR:**Despite the fact that the public sector differs from one nation to the next based on the laws governing state-owned businesses, it generally concentrates on offering services that can benefit the entire society rather than simply the people who are using them. The state sector is crucial to the delivery of public services, especially health care, in low-income nations with developing economies. This is how the public and private sectors differ from one another. The public sector and non-profit groups collaborate to provide health-related goods. In the developed economies, the public sector works to promote economic growth-promoting methods. State-owned businesses concentrate on putting economic development strategies into action to take advantage of new opportunities and foresee development obstacles.(My Accounting course, n.d.) Public sector specially for govern by government for public welfare, economic development, social growth, intuitional development and other people needs and day by day administrating as health, education, agriculture, employment, security, development activities etc.

According to Willson Committee, since it became necessary for one person to entrust another with the management of his property or business, there has been a need for financial accountability. Committee to Review the Functioning of Financial Institutions (Wilson Committee), 1980. The officials, who are the principal's (the public's) agents, must periodically report to the principal on how they used and managed resources and how well the public's goals were achieved. The risks involved in a principal-agent relationship are diminished by an efficient audit activity. The agent's auditor is responsible for giving the principal an unbiased assessment of the

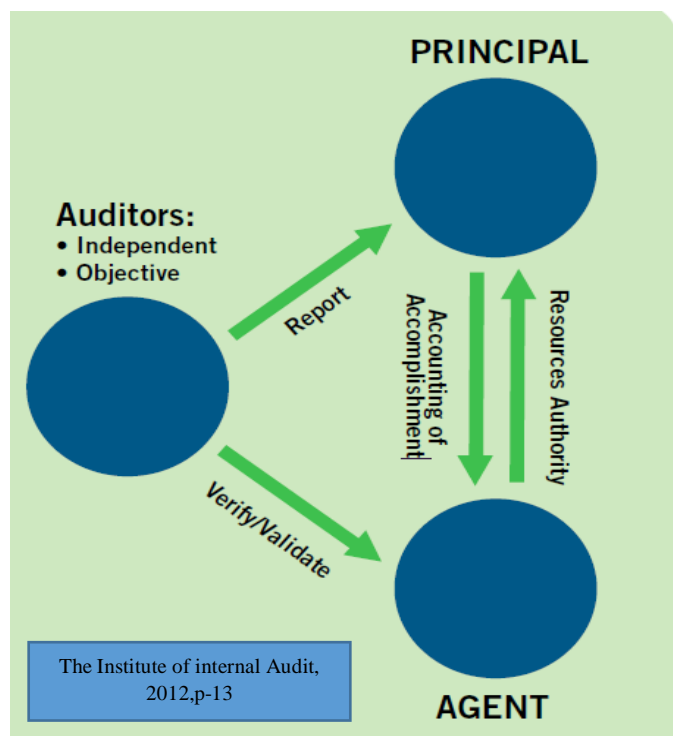


FIGURE 1 PRINCIPLE, AGENT & AUDITOR

correctness of the agent's accounting and a report on whether the agent is using the resources in accordance with the principal's instructions. There are various aspects of the connection between the principal and its agent that make it necessary for a third party to vouch for the veracity (credibility) of the financial reporting, performance results, compliance, and other measures. These aspects include: 1. Conflicts of interest - Agents may act in the principal's best interests rather than their own by using their resources and influence. 2. Remoteness - The principal's direct oversight of operations may be physically removed. 3. Complexity - It's possible that the principal lacks the technical know-how required to supervise the activity. 4. Error consequences can be expensive when agents are in charge of initiatives that have an impact on the lives and health of individuals and are entrusted with managing significant amounts of resources. Some of the most recent definitions of auditing highlight the core components of the profession while illuminating the variety of roles that auditors might play. (The Institute of Internal Audit, 2012, p-13) Public sector audit policy stewardship toward the public money by execution audit services for perpor uses. Audit report ask answerability for the financial activities to generating accountability and maintain discipline through audit to explore fact finding of irregularities activity, fraud and misuses of resources.

INTOSAI says, the general public-quarter audit environment is that during which governments and different public-region entities exercising responsibility for using sources derived from taxation and different resources within the transport of offerings to citizens and other recipients. These entities are responsible for their management and overall performance, and for the usage of sources, both to people who offer the resources and to those, including residents, who rely upon the services delivered the usage of the ones sources. Public-region auditing helps to create suitable conditions and give a boost to the expectation that public-zone entities and public servants will perform their features efficaciously, efficaciously, ethically and according with the relevant laws and regulations. In widespread, public zone, auditing may be defined as a systematic manner of objectively acquiring and evaluating evidence to determine whether facts or actual conditions agree to set up standards. Public zone auditing is crucial in that it provides legislative and oversight bodies, the ones charged with governance and most of the people with information and unbiased and objective assessments regarding the stewardship and overall performance of government policies, applications or operations. (INTOSAI, 2019) From above difination it is concluding that public sector audit is those entity and organization who is responsible, accountable and laiable for utilization and proper utilization of public fund with answerability.

**2.3 AUDITING:** In financial management Auditing one of the important parts, moreover it also creates accountability, transparency, responsibility in public servant through the regularity, efficient, effective, economic, faithfulness and property in financial management. Audit analysis not only for financial aspect, although analysis gaps in overall management, policy and execution effectiveness and raise question about stakeholder care. Sometime Public audit has blame that it is post-mortem examination of the financial operations. Audit means examination of the records ledgers books etc. maintain existing laws showing particulars of transaction and other documents substantiating such transaction and the analysis and evaluation made on the basis thereof.



FIGURE 2 AUDITING

the analysis and evaluation made on the basis thereof and collection of evidence, which is, communicate through his report. "Audit" means examination of the accounts, the analysis and evaluation made on the basis thereof, and that word refers to the act of follow up audit.

In his response, Jayawickrama Accountability calls on those in positions of public trust to answer to the people or their legitimately elected representatives about how they performed. Therefore, accountability implies that decision-makers are subject to oversight and are answerable to others, who in turn are answerable to the nation's citizens. There are at least three distinct, crucial instruments for enforcing accountability in public financial management. (Jayawickrama, p-201) Writer added that three are Auditor General, public account committee, and the ombudsman for accountability and maintain discipline.

Establishment of state and ruler from ancient time any modality of recording

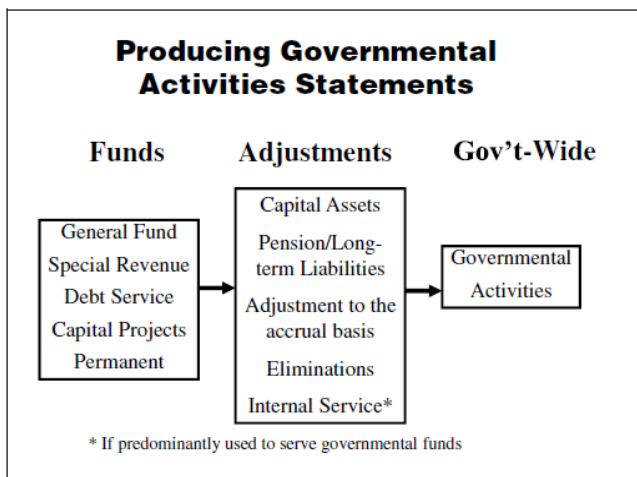


FIGURE 3 PRODUCING GOVERNMENTAL ACTIVITIES STATEMENTS

Act 2007 Comptroller and Auditor General of Nepal, The constitution of Kingdom of Nepal 2015, The Constitution of Nepal 2019, The constitution of Kingdom of Nepal and The Constitution of Nepal (2072/2015) has maintain Auditor General of Nepal and the accounts of all Federal and State Government Offices, such as the President's Office, the

Auditing is a process involving the examination of data statement records operations and performance of on audited for a stated purpose. The full scope of government auditing methods is audit of regularity and performance audit. "Accounts" means the records, ledgers books etc. maintained under prevailing laws showing particulars of transactions, and the word has recorded elect Above theories develop by researcher other such

transactions. "Audit" means examination of the accounts and

transaction and presented to ruler or official by accountable staff member and Some of the Practice in Nepal to presented verbal financial status and transection before ruler, official and Authoritative only and presented to people. Official's recording has seen in 1826 as 'Kumari Chowk' office has established for Auditing financial for financial regularization.

Provision of Auditing in Nepal for Frist constitution of Nepal. In Government of Nepal Act-2004(2048) as Pradhan Jachhaki, The Interim Government of Nepal

The constitution of Kingdom of Nepal, The constitution of Kingdom of Nepal and The Constitution of Nepal (2072/2015) has maintain Auditor General of Nepal and the accounts of all Federal and State Government Offices, such as the President's Office, the

Taking from web of unknown writer

Vice-Office, President's the Supreme Court, Federal Parliament, State Assembly, Government Of the state, Local Level, Constitutional Bodies and Offices thereof, Courts, Office of the Attorney General, Nepal Army, Nepal Police, and Armed Police Force, shall be audited by the Auditor-General in accordance with the law, taking into consideration, among other things, the regularity, economy, and transparency of the accounts., efficiency, effectiveness and the propriety thereof. The Auditor General shall be consulted in the matter of appointment of an auditor to carry out the audit of a corporate body of which the Government of Nepal Over fifty percent of the shares or assets are owned by the federal or state governments. The Auditor General may also give any required guidelines outlining the standards to be followed when conducting the audit of a particular corporate organization. After establishing office of the Auditor General of Nepal in 2016 B.S. and issued Audit act 2018 B.S there is institutional arrangement and legal arrangement for auditing. From establishment continuing regularity audit, 2032 B.S. started performance audit and current time it has done IT, environment, gender, citizen participant etc. audit. Figure is acquire from Rambabu Nepal's performance audit.

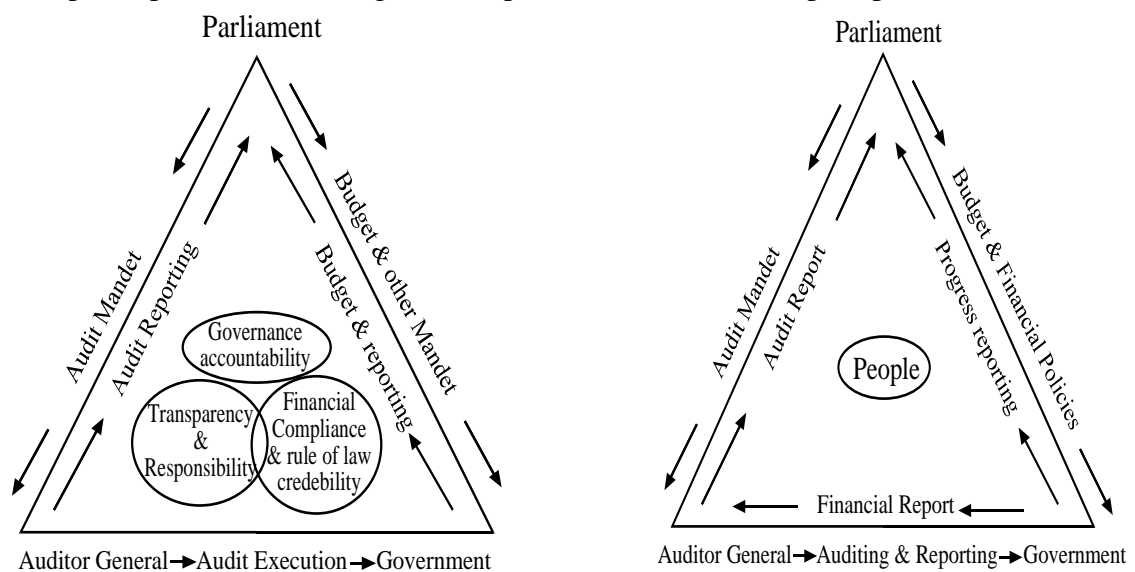


FIGURE 4 AUDITOR GENERAL, AUDIT EXECUTION AND GOVERNMENT

According to A. W. Hanson, auditing is the systematic study of a company's or other organization's books and records to discover or verify the facts regarding its financial operation and its outcome and to report on those facts" (Montgomery). According to Hanson, an audit is a study of these records to ascertain the veracity of the inferences made from them.(A.W. Hanson) Consistent with U.N., government audit is the goal, systematic, expert and independent examination of economic administrative and other operations of a public entity made eventually to their execution for the purpose of comparing and verifying them, providing a document containing explanatory feedback on audit findings collectively with conclusions and pointers for destiny movements by accountable officers and , inside the case of the examination of monetary statements, expressing the suitable expert opinion regarding the equity in their presentation. (U. N. publication). This notion has emphasized the audit is examination of those record and evidence and analysis economy, effectives and effectiveness in financial policy execution and their result and administrative and political effectiveness.

Every individual is responsible in their state activities, if it is financial activities is most sensitiveness and accountable to people through parliament. Auditing is most effective and acceptable tool to explore transparency accountability and credibility toward people. According to Rick Hayes, an audit is a methodical process of systematically

gathering and objectively assessing evidence regarding claims made about economic actions and events in order to determine the degree of correspondence between these claims and established criteria, and communicating the findings to interested parties. (Rick Hayes, 2005) Audit Act 2074 (2017) has define audit as "Accounts" means the records, ledgers books etc. kept in accordance with applicable regulations and containing information about transactions as well as supporting documentation. The term includes electronic records or electronic records certifying transactions transacted through electronic means." and "Audit," means examination of the accounts and the analysis and evaluation made on the basis thereof. The term refers to the act of reviewing." all definition has made for verifying book and record of transaction and certified true or auditor's opinion are "give a true and fair vision, which is comparable to "present fairly, in all material respects, Government audit is the impartial, organized, qualified, and independent. The purpose of audit is not to discover fault; it is not an inquisition. According to A. K. Chand, the Indian Auditor General, it serves to draw attention to administrative gaps in the law and shortcomings, as well as to offer potential strategies for carrying out plans and projects more swiftly, efficiently, and economically. Auditing help scientific way to examine the records and transaction and make opinion for management for financial regulation.

An independent activity with objectivity, scope & limitation, risk assessment, plan & program, specific time and statutory authority to verifying, assurance and analysis the financial transaction and add value and institutional improvement known as public Audit. According to Scandal, auditing is a human review procedure that yields an opinion or judgment in order to determine whether specific norms have been followed. [Scandal, 1978] Here, auditing not only verifying or assurance financial transaction but also it is mode of promoting transparency, accountability, responsibility to public official as well as analysis & reporting of outcomes or result or value of money.

**2.4 AUDITING POLICY :**Reviewing in audit is most important not only for settle down current raising issue or irregularities temporarily but it has been overall improvement financial accountability and soundness in financial activities which has been assured that next time these types of mistake has not been continuing. All financial policy ultimately goes toward financial governance and financial cleanest but there is most important role of political as well as bureaucratic leadership. Audit policy for working is okay to correct shortcomings in the work process, but to continue with them is not an effective policy. Audit policy just medium to achievement through decision , so Permanent solution to minimizing irregularities and follow up or reviewing is tie up with career plan help to effective policy execution (Detail in Annex-4)

a) **CONSTITUTIONAL PROVISION:**Ancient period and medieval history there is oral law, which has taken as law somewhere there is organization structure and book of account to control financial transaction and reporting system to King and his official directly. There is only administrator /executor are accountable to the king and his official but not to people, so that audit is also like that where responsible person submitted his accounts to king. Hearing system for the King's council or assembly to review the account and its results. 'Kumari Chock 'Karalaya' has been working like this practice. It has found working before 2 decades as remnants organization. Jang Bahadur Rana first Rana prime minister issued first written law 'Muluki Ain' 2010 B.S. The history, 70 years of written constitution of Nepal there is several provisions of audit but political instability and unwillingness, constitution's those provision aren't executed, because Auditor General office establishment in 2016 B.S. (2063 A.D.). Frist

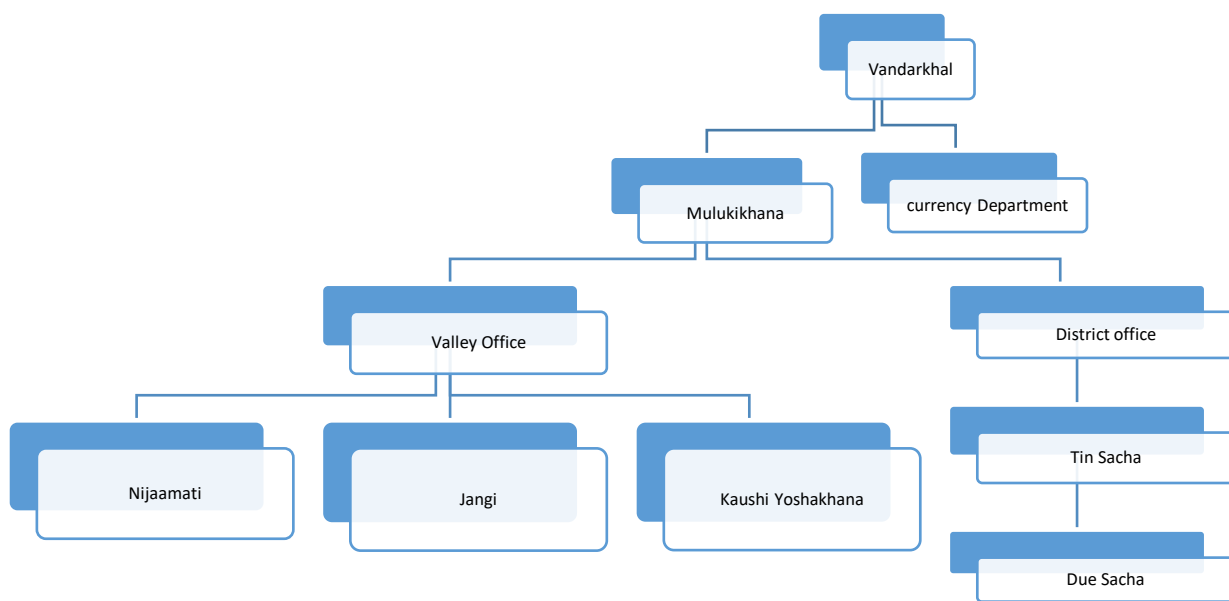
Audit Act has been issued in 2018 B.S. (2068 A.D.) as well as auditor general submitted his first report after 16 years of provision in 2020 B.S. Hear and Hearing system was formally ended by constitutional provision of Auditor General in 2004 B.S. and important shifting toward accountability, transparency and credibility as system of governance reform. These are the moving paradigm of constitution.

**TABLE 2: CONSTITUTIONAL PROVISION OF AUDITING OF DIFFERENT TIME**

<b>Constitution</b>	<b>Name of Head / appointment</b>	<b>Qualification</b>	<b>Duties</b>
2004 B.S. (2048 A.D.)	Pradhan Jachaki/Rana prime minister	Not mention	-auditing income & expenditure -reporting to Prime Minister which to be laid to parliaments (Bebasthapak Shava)
2007 B.S. (2059 A.D.)	Comptroller Auditor General of Nepal/Government	Not mention	-prescribe format and design of account keeping -report submitted to King
2015 B.S. (2062 A.D.)	Auditor General/ His Majesty king	Not mention	-Auditing government account and issue format -Report submitted to king which to be laid to parliaments
2019 B.S. (2069 A.D.)	Auditor General/ His Majesty king	Not mention	-auditing government account on the basis of regularity, economy, efficiency, effectiveness & proprietary -right to accesses document of audit -report to King which to be laid to parliaments
2047 B.S. (2090 A.D.)	Auditor General/ Recommendation of constitution council by His Majesty king	Mention	-all provision is same as constitution of 2019 which added -Audit of cooperation & right of giving direction to it. -provision for audit other entities prescribe by law
		Bachelor's Degree, has worked for at least five years as a special class officer of His Majesty's government or has-experience in the field of accounting of not less than fifteen years, Not a member of any political party immediately before appointment, has attained the age of forty-five.	
2063B.S. (2007 A.D.)	Auditor General/ Recommendation of constitution council by Prime minister/President	Mention (Same as 2047)	All provision is same as constitution of 2047 which added Primary subject or issue must be reported, they are situation of irregular amounts, attempts made to settle such irregular amounts and achievements made on the settlement of irregular amounts, and reforms to be made in the future

2072B.S. (2015 A.D.)	Auditor General/ Recommendation of constitution council & parliamentary hearing by President	Mention (Same as 2047)	-all provision are same as constitution of 2019 which added audited central, Provinces and local government
# Source:- <b>(Nepal law commission, 2022) and publication of kanoon kitab bayabstha samitee</b>			

b) **AUDIT ACT:**After Greece passed the Writing Law in 1807; audit came into existence and Italy, United Kingdom, United States, Germany and India in 1862, 1867, 1921, 1949, 1957-audit recognition by law respectively. "The foundation of the law of self-examination of books was laid on March 21, 1770 AD Shah Dynasty's King Prithivi Narayan shah." (Auditor General, 2041p.p-3) it is further more developed in 1809, 1894 & 1895,1903 B.S. has to manage checking through Khajanchi, given clearance after checking account, examination of books of account named 'Pharkhati', respectively. "Although the Audit Act is provided by the Act, the audit should be done in accordance with the Act and rules related to economic transactions. These acts have become various acts during the reign of the Rana. The Unified Act was issued in 1910 Bikram Samat during the reign of Shri 5 Maharaja Diraj Surendra Bikram Shahdev." (Auditor General, 2041 p.p.-9)



**\*Shah regime structure of Financial Administration (Auditor General, 2041 p.p.-**

**FIGURE 5 SHAH REGIME STRUCTURE OF FINANCIAL ADMINISTRATION**

Act 2048 only amendment after 30 years. Audit act has provisioned these terms In Bikram Sambat 1826, Kumari Chowk Karalaya had established, Auditing has started because of Government income, and expenditure or accounting books and transactions should checked. Likewise, constitution has provision for office

of auditor general which has been establish in Bikram Sambat 2016 and before that

Act 2004'. Audit Act, 2048 and 2075 are released 2nd and 3rd time but still not released different financial act and regulation are issued in 2016(Sarkari Bhuktani karyabidhi), 2018(Jinsi, Rajaswo, Dharuti karobar), 2029(Internal Audit), 2034(Account service) and likewise different financial act regulation and procedure has been issued in Bikram Sambat 2034, 2038, 2042, 2055, 2056 etc.

Audit act, 2018 and office of auditor general has been provision respectively after 14 years and 12 years of Provision of auditor general (Pradhan Jachhaki) in first constitution of Nepal 'Government of Nepal audit regulation or rule. Audit;

**TABLE3 LEGAL PROVISION OF AUDITING OF DIFFERENT TIME**

<b>Act</b>	<b>Provision</b>	<b>Major aspect</b>
Audit act, 2018	<ul style="list-style-type: none"> <li>• Right of auditor general</li> <li>• Matter to be audited</li> <li>• Matter to be audited as proprietary</li> <li>• Reporting to his majesty</li> <li>• Audit of cooperative body</li> <li>• Right to direction and making audit rule</li> <li>• Special executive right of his majesty</li> </ul>	<ul style="list-style-type: none"> <li>• Auditing Revenue, expenditure, deposits, other fund of government</li> <li>• Misuses and abuse of fund, governmental license and sacrifices of governmental natural and permanent property allocated resource has Proprietary audit.</li> <li>• Audit has prohibited for interfere in executive right of his majesty.</li> <li>• Audit of account before issued of acts and constitution.</li> <li>• Right make rule and appoint official for auditing</li> <li>• Submit a report at any time to take immediate action against any loss or damage already happened or impending upon to the national assets.</li> </ul>

<p style="text-align: center;">Audit act, 2048</p>	<ul style="list-style-type: none"> <li>• Method of Audit</li> <li>• Matter to be audited</li> <li>• Matter to be audited in view of propriety</li> <li>• Audit of cooperative body</li> <li>• Annual audit report</li> <li>• Recruitment of officer and employees and condition of service</li> <li>• Power to issue directives</li> <li>• Power to frame rule</li> <li>• Action to be taken against irregularity</li> </ul>	<p>Additional provision made on 2048 are</p> <ul style="list-style-type: none"> <li>• Provided that the Auditor General may submit a report if he deems necessary at any time to take immediate action against any loss or damage already happened or impending upon to the national assets.</li> <li>• The Auditor General, with due regard to the regularity, economy, efficiency, effectiveness and propriety, shall audit &amp; Performance auditing</li> </ul>
<p style="text-align: center;">Audit act, 2075</p>	<ul style="list-style-type: none"> <li>• Bodies to be audited by the Auditor General</li> <li>• Methods of audit</li> <li>• Audit of financial and various matters</li> <li>• Timely audit</li> <li>• Audit of grant and aid</li> <li>• Matters to be audited</li> <li>• Matters to be audited by the Auditor General in view of propriety</li> <li>• Audit of corporate bodies</li> <li>• Power of the Auditor General to examine or require submission of documents</li> <li>• Power to collect fees</li> <li>• Review of audit</li> <li>• Power to obtain expert service</li> <li>• Not to be liable for any act done in good faith</li> <li>• To maintain records through electronic means</li> <li>• Annual Report &amp; Office of the Auditor General</li> <li>• Audit of Local Level</li> <li>• Implementation of the audit report, to take action on irregularities, Format of accounts</li> <li>• Power of the Auditor General to give direction &amp; Power to give reward, o delegate authority, frame rules, issue standards or directives</li> </ul>	<p>Additional provision made on 2075 are</p> <ul style="list-style-type: none"> <li>• Timely audit, grant audit, collecting fee, export service, review audit issuing guideline</li> <li>• Unlivable for working on good faith</li> <li>• Loose power to appoint official</li> <li>• Issue functional. information technology, forensic, gender, environmental and timely audit reports</li> <li>• Right to audit province and local government</li> <li>• Concurrent audit</li> </ul>
<p><b>Source:-Above data are collecting from Book of law publish by Kanoon kitab samitee</b></p>		

- c) **AUDIT GUIDELINE AND DIRECTIVES:** Auditor General has been issued two dozen directives to audit. Auditor General of Nepal has accepted new theory, process and area of audit and issued various type guideline which are Directives to the auditors for the Audit of Public Enterprises, 2003, Sarkari Lekhaparichan mandanda, 2053 B.S, General Guideline to Government Audit, 2056 B.S., office of Auditor General, Babarmahal, Government Auditing Standard, 1996, Karamulak Lekhaparichan Margadarshan, 2052 B.S., Karamulak Lekhaparichan Margadarshan, 2057 B.S., Government Audit Operational Guideline, 2063 B.S., Parsaskiya Kharchha ko Lekhaparichan margadarsan, 2063 B.S., Aayojana Hishabko Lekhaparichan margadarsan, 2063 B.S., Parsaskiya Kharchha ko Lekhaparichan margadarsan, 2063 B.S. Rajaswo Lekhaparichan margadarsan, 2063 B.S., office of Auditor General, Babarmahal Sarbajanik Kharid Lekhaparichan margadarsan, 2065 B.S, Quality Assurance Handbook, 2012 A.D., Srakari lekhariccan ko aacharsimita, 2070 B.S., Srakari lekhariccan ko aacharsimita, 2070 B.S., Disaster Management Audit guideline, 2072 B.S., Sahavagitatmak Lekhaparichan margadarsan, 2073 B.S., Batabaran Lekhaparichan margadarsan, 2073 B.S, Segment Audit Guide Administrative expenses, 2073, Audit of public enterprise, 2073 B.S., Communication strategy, 2073 B.S., Staniyatahako Lekhaparichan margadarsan, 2074 B.S, Mahalekharichhak ko Karyayojana, 2074, Concurrent audit guideline. (Detail in Anax-2). Auditor General has constitutional provision in 2004 B.S. and legal provision 2018 B.S. auditor general of Nepal issue guideline in 2052 B.S. first time in period of AG Bimal Raj Basnet after 51 and 34 years respectively. Political crisis and revolution in Nepal has no fundamental changes onward provision of auditor general except 2019 B.S. Period of acting auditor general has no changes in audit institutional development except release a Quality assurance Guidelines.

**2.5 BUDGETING AND FINANCIAL ACCOUNTABILITY:** Statement of the World Bank The budget should be built on a strong macroeconomic foundation, projections of government revenue that are in line with that foundation, a framework for medium-term spending, and multi-year sectoral allocations that represent the government's strategic goals and the priorities of the Strategy for Poverty Reduction. All government expenses, including investment projects with outside funding, should be included in the budget. (The World Bank, 2005, p-xix) "According to Michael, budgets have connections to every area of governance reform, encompassing fiscal policy, bureaucratic reform, anticorruption initiatives, social policy, and service delivery. (Michael Schaeffer, Serdar Yilmaz, 2008, p-1) Constitution of Nepal has provision in "article- 50 (three) The financial objective of the nation will be to achieve a sustainable financial improvement, whilst accomplishing speedy financial growth, through manner of most mobilization of the to be had means and resources through participation and improvement of public, private and cooperatives, and to expand a socialism oriented impartial and prosperous economic system whilst making the countrywide economy independent, self-reliant and modern that allows you to build an exploitation unfastened society by means of abolishing economic inequality via equitable distribution of the profits. Article 119. Estimates of sales and fees: (1) The Minister for Finance of the authorities of Nepal shall, in admire of every economic yr, lay earlier than the joint sitting of each houses of the Federal Parliament an annual estimate commencing, inter alia, the subsequent topics: (a) an estimate of sales, (b) the moneys required to meet the costs on the Federal Consolidated Fund, and (c) the moneys required to fulfill the expenditure to be supplied

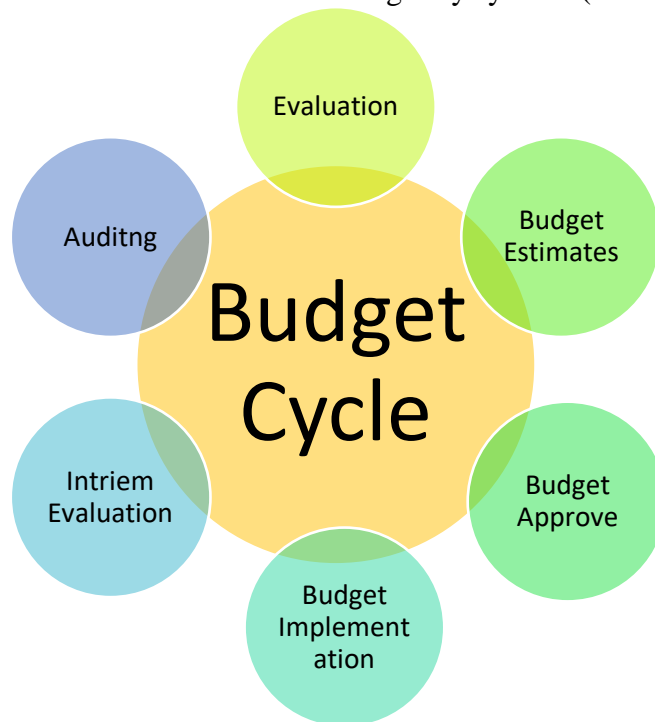
for by using a Federal Appropriation Act. (2) the once a year estimate to be laid pursuant to clause (1) shall additionally be observed via a statement of the fees allocated to each Ministry inside the preceding monetary 12 months and details of whether the objectives of the prices have been done. (three) The Minister for Finance of the government of Nepal shall lay earlier than the Federal Parliament an estimate of sales and fees underneath clause (1) at the 15th day of Jesta (mid may additionally) every year.

**TABLE 4 PROVISIONS OF FINANCIAL PROCEDURE & ACCOUNTABILITY ACT 2076**

<b>Article</b>	<b>provision</b>
2	Accountable and responsible officer are secretary and office head respectively.
10	Ministry of finance with consultation to concern ministry and office prepares budget.
18	Authorities of expenses letter has issue to concern ministry by ministry of finance and concern ministry given authority to expenses with program to office head.
31	Internal control system is established and conduct internal and final audit.
39	Irregularly amount, Settlement of irregularities by responsible person or office head and account responsible officer.
42	In chairmanship of Public Account committee member Irregularities settlement committee has construct with member from representative of office auditor general, office of comptroller general, ministry of finance and member secretary head of kumara Chowk and Tahashil Karalaya. Committee has duty, and responsibility to recover the arrears of irregularities as government arrears amount.
49	Kumari Chowk and Tahashil Karalaya has duty, right and responsibility to recover irregularities amount as arrears of government amount.
50	financial accountability of budgeting, protection of government property, exestuation financial accountability by minister and head f constitution body head and keeping account, expenses granted by disbursement act, <b>chapter-9, Financial accountability, responsibility and duty are mention in article 50-55</b> , settlement irregularities by account responsible officer / secretary of ministry.
57	Responsible person and other personnel have penalized in negligence on duty of irregularities settlement and arrears amount settlement.
<ul style="list-style-type: none"> <li>• <b>Financial procedure rule, 2064 section 12 and rule 107 to 113 provision of financial right, duty and responsibility to government offices and official, which make them responsibility on their financial liabilities toward people and nation.</b></li> <li>• <b>Source:-Above data are collecting from Book of law publish by Kanoon kitab samitee</b></li> </ul>	

Premchand brought that conventional studies on governmental budgeting have focused on unique descriptions of government budgetary and accounting structures and on the working of the legislature and its supportive groups, together with audit. .... formulation of economic policy presumes the identity and clean recognition of the institutional components of government finance, along with tax systems, their occurrence and moving, finances formulation and execution, and economic management. the focus of budgeting is at the attainment of efficiency within the allocation of sources in the public sector and is motivated at each level by the desires of monetary policy ..... economic coverage is so huge-ranging that choice of a mixture of differing objectives is each complicated and debatable. The impact of these goals on budgeting is threefold. First, budgeting entails the

identification and dimension of the impact of the budgetary operations on the financial system, and of the financial system on the finances, and the relationship of these operations to the overall goals. 2nd, the goals of financial policy may be attained through the contraptions of taxes, fees, and, to an quantity, the provision of credit score. The results of these devices aren't identical, and one assignment of budgeting is to envision the consequences of each and to set up the three instruments so that they collectively serve the purpose. 1/3, the objectives are served by way of direct authorities operations, through the lively ties of different degrees of government, drastically the nation and nearby governments, and through the general public organizations at every degree. Economic policy at a macroeconomic degree requires close coordination among all 3 levels in all levels of the budgetary system. (Premchand, 1983, p-xvii, 4, 10)



Since budgetary allocations are frequently taken for granted or viewed as heavenly manna, the Treasury's participation will convey a clear message to all parties involved about the finite nature of resources. This may eventually complement efforts to enhance discipline, thriftiness, and accountability. According to Kholjigitov, participation of the Treasury (which partici

Above theories develop by researcher

FIGURE 6 BUDGET CYCLE

the process of resource

allocation and utilization should be widely welcomed if, as is assumed, the case, the primary outcome of fiscal discipline is a relatively balanced budget (within the band of 3% as in the EU). (Kholjigitov, p-3) Budget has clearly set objectives to role responsibility, right and duty to expense public money and raise income or fund, which has mended by parliament. All income and expenditure, program and project, has audited by auditor general by using public sector audit policy and standard to reporting in parliament to discussion in PAC. This process answerable responsibility to public official who hold the authority of public expenditure and income, that hold official accountable to maintain financial discipline.

**2.6 FINANCIAL ACCOUNTABILITY:**Accountability, continued Soll, has contributed to the growth and collapse of societies. Good accounting methods have consistently resulted in the trust levels required to build strong capitalist society and stable governments, whereas bad accounting and the accompanying lack of responsibility have caused financial upheaval, economic crimes, social unrest, and worse. .... At important times, accounting and the mechanisms of accountability fail, worsening or even starting financial and political disasters. The mastery of accounting, responsibility

and the ensuing fight to successfully manage them all play a significant role in a society's prosperity, at least monetarily. (Soll, 2014, p-13 & 17)

***Accountability = Responsiveness + Responsibility + Answerability***

Accountability is crucial to ensuring that public servants are responsible for their actions and responsive to the body from which they receive their authority. This may be achieved differently in different countries depending on the history, cultural context, and value systems involved, countries or political structures may be implicated. At one level, the procedures used can range from audit covenants to broadly elected legislatures or more specifically formulated consultative groups at another. The accountability of public sector institutions might be facilitated by evaluation of their economic and financial performance. Economic responsibility has to do with how well policies are developed and put into practice, as well as how effectively resources are used. Financial accountability covers accounting system for expenditure control, and internal and external audits. The accountability of public sector institutions has been facilitated by evaluation of their economic and financial performance, economic accountability relates to the effectiveness of policy formulation and implementation, and efficiency in resource use. Financial accountability covers accounting system for expenditure control, and internal and external audits. The evolution of government accounting over several centuries can be seen in its components, which show the rise of both management and accountability issues. According to Premchand, accounting was initially intended to demonstrate adherence to legal requirements. When combined with budgeting, it provided a system of financial management that offered controls at different stages and defined who was in charge of the collection, custody, and disbursement of public funds. (Premchand, 1983, p-382) The obligations of persons or entities including public enterprises & government agencies entrusted with public resources to be answerable for the fiscal, managerial & programmed responsibilities. Accountable for what / whom / how is secured? Must be related. Accountability also means establishing criteria to measure the performance of public officials, as well as oversight mechanisms to ensure that the standards have to meet. The key question is whether private actors in the economy have easy and quick access to the legal system to seek redress for unjust actions or ineptitude on the part of the executive branch. The state's credibility as a business partner tends to decline over time when there is a lack of accountability. It jeopardizes governments' ability to uphold the long-term corporate confidence necessary for private sector investment that promotes growth. The supply side of duty, which is also referred to as public accountability, is the hallmark of and a sine qua non for correct governance (Bovens 2006). Delivery facet measures to improve downward monetary duty include strong neighborhood capacity for budgeting and public economic control; requirements for management on intergovernmental transfer sales (i.e., easy audit reports, submission of economic statements); publication of transfer figures; obvious neighborhood public audit systems—with publicly available audit findings, clear rules for accountable nearby borrowing (such as policies concerning defaults), public get entry to borrowing statistics, and truly defined guidelines concerning hard budget constraints for neighborhood governments deal with via Michael Schaeffer. (Michael Schaeffer, Serdar Yilmaz, 2008, p-3)

- a) **FINANCIAL PROCEDURE AND FINANCIAL ACCOUNTABILITY ACT, 2076 AND FINANCIAL PROCEDURE RULES, 2064 (2007)** : Act has provision for operation and integration of consolidation fund, forecasting revenue and expenditure (budget), Budget disbursement and control, account of transaction, internal control and auditing, actuation, recover arrears of government, Financial accountability

responsibility and duty are clearly define. According to rule 2064 rules (98), the accounts responsible officer is responsible for determining whether the office in-charge or the responsible party has resolved the irregularities and regulations. (98) To respond by taking appropriate action to resolve the unlawful amount in question within 35 days and to do so with supporting documentation. Similar irregularities that appeared to be irregular simply because the conditions required to be met in accordance with the applicable law had not been met have been regularized by the responsible official under rule (100) Provisions Relating to Settlement of Figure of Unlawful Amount, but no governmental loss or damage has resulted from this. The reasons for the irregularities' occurrence are regularized in this way. Other Provision are follows

- Irregularity Settlement Evaluation and Monitoring Committee
- Parathinidhi Shava Niyamabali 2075
- Irregularity amount Settlement Evaluation and Monitoring Committee

**b) AUDITOR GENERAL GUIDELINE:** Government Audit Operational guideline 2063 and government auditing slandered 1996 has been provision for reviewing irregularities raised in report. Reviewing of work Paper, evaluation of evidence and justification, disposition of review notes has provision. General direction on government audit 2056 also direction for settle issues raise in Audit report. Irregularities settlement related Directives 2075 makes provision about recording about irregularities and settle down modality and authority to settlement official in office of the auditor general.

**c) MAJOR ACTOR FOR ACCOUNTABILITY AND DISCIPLINE IN FINANCIAL SECTOR:**With recognize to financial performance, an important component is government duty. That is, engagement, involvement and participation in political and public problems through a big part of the voters are crucial elements in maintaining politicians and bureaucrats accountable. As Putnam (2000) placed it, “[c]residents in civic groups expect better authorities, and (in element via their personal efforts) they get it ... if choice makers anticipate residents to maintain them politically accountable, they may be extra willing to temper their worst impulses instead of face public protests” (p. 346). .....f residents and authorities interact with a feel of collective responsibility prompted by institutional systems, the system may be better ruled and its policies, extra effective due to the fact accountability promotes effectiveness via its effect on government behavior. it's also affordable to argue that prudent debt control – and consequently a positive degree of fiscal discipline – may be visible as a proxy for governmental performance says with the aid of Torgler (Torgler, 2019, p-4,5) All the Office head, politician, executing staff and account official are accountable person for his financial activities and other ongoing financial activities. Citizen also liable for financial accountability.

**TABLE5 ACCOUNTABILITY AND DISCIPLINE OF FINANCIAL LIABILITY**

<b>s. no.</b>	<b>Actor /Agencies</b>	<b>Activities</b>
1.	policy maker and politician	politician and policy maker accountabe for their policy making ad amonitoring , evaluation
2.	Higher official/ secratery, judge, other higher official	finacial proceual and accountably act,2064 and governance act 2064 make responsible for financial accountabel to minister, secratery, head of institution, decision of judge and higer

		official correct and right direct to accountability and wrong decision motivate undisciplin.
3.	Executor or low level bureaucrats	Account official, project manager or programmer executor and person has responsibility to government amount to expenditure and collection of revenue. , financial procedural and accountability act 2076 and rule 2064 has mention accountability from budgeting to settlement of irregularities, result and goal.
4.	Oversite agencies (public account committee, CIAA, revenue investigation department, Nation vigilance center, department of money laundering etc)	They are responsible and accountable for their curative and preventive measure to correct , eradication, and control the discipline. constitution, concern entities regulatory act, governance act, financial act, CIAA act etc. are make them accountable.
5.	Auditor (Internal and External )	Constitution of Nepal part 22 article 240-241 , Audit act, 2075, financial procedural and accountability act 2076 and rule 2064 are accountable and responsible for financial discipline.
6.	Stakeholder, community, user, common people	Service delivery process, participatory management, social audit, community cooperative development, user committee and social mobility in development there is participation are assure by some legal provision so they maintain accountability.
7.	local political agent and party worker	Development activities and other local level service delivery in community level, policy making through the down top approach or ladder or participation model there is vital role of local political agent worker so they accountable for discipline and accountable for public fund.
<b>Source:-Develop by Researcher after studying different literature</b>		

- d) **AUDIT REPORT:** Audit report has to explore the finding and facts after investigation and inquiry of document, vouchers, ledger, other relevant documents & evidences that findings has elements criteria, conditions, cause, consequences, effects/potential effects, corrective action/ recommendation, managerial response and comments. For the (modified – Qualified / Adverse where appropriate) opinion. Consequently, when Audit report has qualified, adverse, disclaimer, other opinion build by auditor after inquiry or inspection of accounts. According to Government audit operational guideline, 2063, s 5.3.1/2 addressing the audit entitles with clear mentioning written opinions on financial statements. Audit report has including basic elements are title, signature and date, objectives and scope, completeness, address, identification of subject matter, legal basis, compliance with standard, scope paragraph, opinion paragraph and timeliness. According to OAG/N, the auditor's report should

indicate that the auditor believes the audit evidence acquired is sufficient and appropriate to serve as a foundation for the issuance of a disclaimer of opinion. If evidence could not be obtained, it must be noted in the report. (Office of the Auditor General, Nepal, 2015, p-5-6) Department of Administration and Finance, USA says, An auditor's opinion is presented in the auditor's file. The audit document starts with an introductory section outlining the responsibility of management and the duty of the audit firm. The second one section identifies the economic statements on which the auditor's opinion is given. A 3rd phase outlines the auditor's opinion. Although it isn't observed in all audit reports, a fourth section can be supplied as further clarification regarding a certified opinion or an unfavorable opinion. .... The impartial Auditor's document on the Fund accountability assertion record is the auditor's record on the Fund responsibility statement, figuring out any cloth questioned charges now not fully supported with good enough facts or not eligible under the phrases of the agreements. The report should be in conformance with the standards for reporting.. (Department of Administration and Finance, USA, 2021, p-53) The report should contain details regarding the audit aim, audit questions and their responses, the subject matter, criteria, methodology, sources of data, any restrictions on the data utilized, and audit findings, according to INTOSAI. It should expressly address the audit's queries or provide an explanation if it cannot. As an alternative, the auditors should think about rewriting the audit questions to fit the new facts and reach a place where they can be addressed. .... The report should be written in language that is plain and unambiguous, to the extent that the subject matter permits. Overall, it ought to be beneficial, advance knowledge, and draw attention to any areas that want development. (INTOSAI 300, p-16) To the various situations that arise during government auditing, the SAI should use its own judgment (see paragraph 15). By using statutory and professional expertise, accepted employed procedures, and guidelines as well as economy, efficiency, effectiveness, regularities, and propriety, public sector auditing ascertains officials' accountability by raising concerns about their work in accordance with statutory provisions. Financial responsibility has been operationalized using financial law and validated GAAP or not.

In line with INTOSAI, principle.....(c) With improved public attention, the call for public accountability of people or entities managing public sources has become increasingly evident in order that there's a want for the accountability technique to be in region and running correctly. (d) Improvement of ok facts, manage, assessment and reporting systems in the government will facilitate the responsibility system. Management is responsible for correctness and sufficiency of the form and content material of the economic reports and different facts. (e) suitable government have to make sure the promulgation of proper accounting requirements for monetary reporting and disclosure applicable to the wishes of the government, and audited entities should expand specific and measurable objectives and performance targets. (f) Regular utility of appropriate accounting requirements ought to result in the fair presentation of the monetary role and the results of operations. (g) The life of an ok machine of inner manipulate minimizes the threat of errors and irregularities. .... 20. The basic auditing ideas stipulate that with elevated public awareness, the call for public duty of persons or entities managing public assets has grown to be more and more obvious so that there may be a more need for the duty method to be in vicinity and working efficiently (see paragraph 6c). 21. In some international locations, preparations require the responsible entities to record to a President, Monarch or nation Council, however



deepening of neo-liberal economic policies, emphasizing various qualities that help people overcome challenging circumstances like those we have seen in the post-crisis environment. .... By creating a field of visibility, illuminating state behavior, and guaranteeing that even the smallest departure from these financial, fiscal, and macroeconomic adjustments will be easily noticeable and monitored, this surveillance component of the disciplinary mechanism serves to enforce discipline. These classificatory grids outline the reforms to be implemented, when they should be implemented, and the current status of these reforms, creating a "normalizing gaze, a surveillance that allows for qualification, classification, and punishment," according to Glenn. (Glenn, 2019, p-5 & 180)

Here we need to be protected allocated resources to strategic priorities, promote and assured value for money, guarantee for qualitative public service delivery with financial transparency, accountability and aggregate float sustainability which public finance must be stabilization, distributive, tax transform-progressive and rational & equitable taxation system. Consistent with Glenn, The objective of area become not merely considered one of subjection, but also of software— to ‘have a preserve over others’ our bodies, now not handiest in order that they’ll do what one needs, however in order that they may perform as one wishes, with the techniques, the rate and the efficiency that one determines. ....so that you can try this, ‘regulatory mechanisms need to be established to set up an equilibrium, keep a mean, set up a kind of homeostasis, and make amends for variations inside this trendy populace and its aleatory subject. In a phrase, security mechanisms ought to be mounted around the random detail inherent in a populace of dwelling beings on the way to optimize a state of existence’ (Foucault 2003, p. 246). Safety or regulatory mechanisms need to act in such that they ‘achieve overall states of equilibration or regularity. (Glenn, 2019, p-18 & 25)

public official, political actor and bureaucrat, who are responsible for accountability of public fund must have follow a budget rule , money work in favored of stakeholder, work towards good, that individual, funder, public, commonly and state value for substantive social benefit has been secured. Therefore, financial discipline must be sustain in state through aggregate fiscal management, operational, management, fiduciary risk management and governance. Pomeroy claims that to comprehend the concepts, think about how you would organize a management team if you could create your ideal model and were not bound by time, money, management, or energy constraints. We will concentrate on the essential managerial skills you must learn regardless of the size or nature of your company because we are aware that your resources are limited. .... Planning clear, quantifiable milestones, a deadline, and accountability are necessary for an effective implementation of a plan. Make sure you are certain of the following as you create the tasks to support the objectives:What result are we seeking?, What steps must be taken, and who is responsible for ensuring they are taken?, What effect do you think this strategy will have on the company? How will we keep track of it and report on its accomplishment? , Put your plans to complete the tasks you have in mind for the upcoming year in terms of these questions. Examples of specific goals for the first two goals in the scenario mentioned above include. (Pomeroy, 2005, p-xiii, 33)

Shaw write that the human body was entering a system of power that investigates it, breaks it down, and rearranges it, according to Shaw's description of disciplinary mechanisms (Foucault 2007, p. 138). The goal of discipline was to "have a grasp over others' bodies, not only so that they could do what one wants, but so that they may perform as one wishes, with the techniques, the speed, and the efficiency that one sets."

This goal went beyond simple subjection to include utility. In terms of utility, discipline boosts the body's forces while decreasing them in terms of political compliance (Foucault 2007, p. 138). The goal of discipline is to increase a person's usefulness in the most effective way possible; it is "the unitary technique by which the body is reduced as a "political" force at the least possible expense and maximized as a helpful force" (Foucault 2007, p. 221 (Shaw, 2019, p-18)

Kholjigitov asserts that in order for discipline to be effective, players must have the impression that things are different and serious this time around, and that the leadership is committed to reforms like combating corruption, adopting medium-term budgets, enhancing governance, empowering civil society, and taking all necessary measures to improve public finance management. Therefore, it is crucial to consider fiscal discipline as one of the areas that can only benefit from the strengthening of other public finance management-related areas. .... There are various prerequisites that must be met for discipline to fully function: 1) Treasury Single Account (TSA)-enabled efficient system; 2) few middlemen between payers and receivers; 3) Strong monitoring and accountability for criminal activities involving the misuse of budget funds; 4) strong anti-corruption legislation, and their execution; 5) A favorable public employee law with a wealth of supplementary perks and a competitive compensation plan (to give sense of what they may lose if misbehave); 6) Rules for budget execution that are concise, clear, and consistent should be in place; 7) Timely reporting of processes, results, and outputs should also be in place; 8) Transparency and civil society; 9) Process dynamics and risk management. (Kholjigitov, p-5)

**2.8 EFFECTIVENESS:** According to Cambridge, dictionary effectiveness is the ability to be successful and produce the intended result or the degree to which something is effective. Effectiveness evaluate to get into intended result in activities and objectives predetermine. Best result between expected output and actual output has occurred or not. Effectiveness answer the effectiveness of prepare of design and plan of program and activities with relevancy and suitable linkage to intended goal and objective to meet target with best option / alternative. According to Thkker, a policy instrument is successful if it aids in achieving the goal that the policy has set. The effectiveness of a policy instrument should typically be divided into two sub-questions. The first is: To what extent has the target been attained in terms of goal achievement? The second is the tool's actual effectiveness – how did it help achieve the goal? (Thkker, 2004, p-18). Effectiveness has characterized to doing the right things for getting the expected result from the outputs regarding relationship to outcomes. There is achieving & meeting program's intendant targeted or objectives with best result. Effectiveness has focused best service or highest degree of satisfaction through output of good, service, revenue, regularization etc. Auditing it has been difficulties for calculate outputs and measures an outcome. Auditor applied different tools, assessments' measures, benchmarking with audit plan, strategies, and program to assure the effectiveness. Assessment of document, statement, ledger, financial report and results, benchmarking different aspect of operationalization, survey, focus group, interview, questionnaires as well as discussion and observation the activities of employer decision/ policy, employee performance ( manager, senior staff, junior staff, worker ) and customer care or satisfactions are analyzing in audit procedures.

**2.9 PUBLIC ACCOUNT COMMITTEE OF HOUSE OF REPRESENTATIVE:** Constitution of Nepal article 97 of public and Partinidhi shava niyamabali rule 170 has provision public account committee has to discussion the Auditor general yearly report, which has submitted in house of representative. Public

accounts. Committee give direction to control irregularities to auditees and government based on report of auditor general & inspection of public account. In audit report public account committee director for improvement, corrective action, nothing to do, and take action against responsible person, but there is no effective management for monitoring and evaluation, So that report and direction has not follow. There is no institutional memory for taking action against irregularities maker and improvement in for of report of committee.

**2.10 AUDIT PARTNERS/STAKEHOLDERS:** According to INTOSAI, Public sector auditing is crucial for the general public administration, because the management of public resources is a matter of trust. Duty for the control of public sources consistent with supposed purposes is entrusted to an entity or character who acts on behalf of the general public. Public sector auditing complements the self-belief of the intended users by way of imparting data and impartial and goal tests regarding deviations from familiar requirements or ideas of accurate governance. All public-sector audits have the same primary elements: the auditor, the accountable party, meant customers (the three parties to the audit), standards for assessing the difficulty remember and the ensuing concern be counted statistics. They may be categorized as distinctive forms of audit engagement: attestation engagements and direct reporting engagements. (INTOSAI-100, P-6) Individual or institutions who are performing and functions financial activities to responsible for answerability and outcomes. Account responsible officer, responsible person, responsible person, account and program official other are internal partners and contractor, user committee, society, local community are external partners of audit. In other word person who are responsible for financial activities or transaction or outcomes and developing future group of audit for quality of independent audit for monitoring and evaluating for plan, program, budget and policy cycles outcomes. In step with IESBA says, "...audit partner needs to be clarified to refer to institution or consolidated money owed in preference to economic statements on which the firm expresses an opinion. it's far the connection between the auditor and the purchaser at the organization level that is in all likelihood to elevate the familiarity risk and this seems greater in keeping with what's being defined in the final sentence of the second one closing paragraph on web page eight of the explanatory memorandum. (ICAS).....dating between the auditor and the purchaser at the institution degree, which is probably to raise the familiarity risk. (ACCA)... key audit accomplice have to be clarified to consult group or consolidated debts in place of economic statements on which the firm expresses an opinion. (CARB) .....inside the EC Directive the definition is: "key audit companion(s)" mean(s): a) the statutory auditor(s) specified through an audit firm for a specific audit engagement as being in most cases responsible for wearing out the statutory audit on the behalf of the audit firm; or b) in the case of a set audit, as a minimum the statutory auditor(s) designated by using an audit company as being more often than not accountable for carrying out the statutory audit at the level of the group and the statutory auditor(s) exact as being usually responsible at the level of material subsidiaries; or c) the statutory auditors(s) who signal(s) the audit report. .... "(IESBA– Berlin, Germany, 2007)

Public sector audits require at least three distinct parties, including the auditor, the responsible party, and the stakeholders, according to The Comptroller and Auditor General of India. The parties' relationship should be analyzed in light of the unique arrangements made for each type of audit. The examiner: In the public sector, SAI, India and the staff members assigned to conducting audits fill the position of the auditor. The accountable party is: The pertinent duties in public sector auditing are set forth in a

constitution or other legal framework. The responsible parties, who may be persons or organizations, may be accountable for the subject matter information, for managing the subject, or for responding to recommendations. The responsible parties would typically be the auditable entities and those in charge of their governance. The people, businesses, or groups for whom the auditor creates the audit report are considered the intended users. The public, those in charge of governance, legislative or oversight bodies, or both, may be the targeted users. The primary intended user is the Parliament or the Legislature, which acts as a representative of the people by establishing the priorities for public finances, as well as the scope and nature of public spending and revenue. (The Comptroller and Auditor General of India (CAG)).

**2.11 IRREGULARITIES AND SETTLE COMMITTEES:** Audit policy and act has provision different committee for settlement of irregularities and fraud. Different official appointed for committee to settlement and improvement of irregularities and evidence less expenses. That committee has legal obligation for regularize financial system and eliminate financial inefficiency, less economical, and non-region able expenses. (Detail in Annex-5)

**2.12 SAARC COUNTRY:** SAARC countries has constitutional provision except of Afghanistan, most of Auditor General appointed by the President and they are independent, impartiality, neutral in their profession who has right and duties to auditing all government or public fund, property, public enterprises & cooperative. Yearly has reported in parliament and parliamentarian committee (public account committee) has discussion on Audit report and give direction to concern entity. Constitutional, legal and other provision and practice made by these country are presented in summarize way. All these are abstracted form their official website and constitution and other legal material. Afghanistan, Bangladesh, Bhutan, India, Pakistan, Nepal, Maldives and Sri Lanka are the member nation of SAARC as well as their SAI are member of INTOSAI & ASOSAI. They applied international guideline, norms, direction of that institution as audit policy in field of audit, which has contextualized according national need and localization. Those nations are conduct performance audit / value for money audit, regular financial audit, new paradigm as IT, environment, gender, social participatory audit, inclusive and concurrent audit etc. Audit has been guided by their own constitution, audit law-regulation, norms-standard-guideline and direction issued by nation or SAI. Report is the main product of audit of its fact-finding and objections that are submitted to parliament, which is place people representation and discussion in public account committee that create answerability on public fund, and financial activates to assured the accountability and financial discipline way forward to financial governance.

Most of SAARC SAI has vision to make transparency and accountability of public resources, value and benefit of citizen. Mission of them are independently assurance of effectiveness of public financial management, raise fact of uses public resources and optimum utilization of nation fund of public to ensure financial governances.

SAI has been provision in constitutions of the country for auditing public money, property and safeguard of public owned & national money by independent, integrity, neutral organizational provision and quality audit services. Above data and other literature south Asian countries has focuses in financial governance, proper use of public money and citizen benefits. Vision, Mission, Core value of eight SAI has directed toward SAI efficiency to mention integrity, transparency, credibility, professional due care, balanced timely audit, accountability, promotion and benefits of citizen, maximum utilization of resource and safeguard for abuse of property. Auditing government account

there are different theoretical and financial unsolved irregularities to be resolved and follow up audit to make it correct by SAI. Supreme audit institution's audit report has given transparency of public budget, which has given mended by parliament. One of the importance factor of budget cycle audit explore deficiencies and irregularities of budgetary execution, which has minimize and eradication of irregularities to get financial governance that representative indication as financial accountability and discipline. Government dedication to the effective action against financial irregularities, embezzlement by taking transparent action that make to fight against the corruptions for making public official accountable. Accountability and transparency is important function for public authorities or responsible person for public money has legally framing and organizing structure , procedure and action that has been taken by them are reporting to parliament or publicize through the auditing to reporting process toward financial governance and discipline. These fact figure has pointing out proper audit policies has boosting accountability and financial discipline. (Detail in Annex-6

**2.13 INTERNATIONAL ORGANIZATION:** Audit related International organization issue the auditing standard and guideline for systemized the auditing procedure. Auditing with auditing standard, tool, technique, plan, program and guideline with quality assurance tool are used. Transparency and accountability must be explore by auditing

SAI has the mandate, responsibility, vision, mission, and core value, that creating qualitative, timely, adequate auditing and reporting. Over government or public activities through economy, effectiveness, efficiency, analyzing timely and widely of public money's appropriate utilization desired outcomes to fulfill national and public desire by creating accountability of publicly accountable person's accountability, transparency and legal obedience.

Auditing has developed information about gaps, difference and control mechanism of Public financial (budgeting to auditing) activities through systematic, timely, widely, inquiring government activities with the establish audit policy (auditing standard, guidelines, international practices), which is cause of the transparency and accountability in government /public money. Auditing has establishing accountability & transparency, which is the core elements to control fraud and corruption, must be rest on public accountable official and a person. . There has most accountability, transparency and control corruption that is symbol of the country economy directed toward the financial governance, where has been mentioned financial discipline.(Detail in Annex-7)

**2.14 AUDIT POLICY RATIONALITY:** Audit standard or norms, audit guideline/outline, audit law/bylaws audit plan and program, which help to performing or conducting audit of public money, wealth, investment, revenue and expenditure as well as delivery of public service and goods. It verification of transaction, progress outcomes of basis of regularities, economy, efficiency, effectiveness, and property that which help to explore role of accountant or account official, account responsible official, responsible person, program executor or responsible person to accountability toward public property and budget system. “The Scope of internal auditing encompasses the examinations and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned responsibilities. Our examinations and evaluations are composed of the following types of audits.

- Reliability and Integrity of information
- Compliance with Policies, plans, procedures, Laws and Regulations
- Safeguarding of Assets
- Economical and Efficient Use of Resources

- Accomplishment of Established Objectives and Goals for Operations or programs” (<https://www.sfasu.edu/audit/auditing.asp>, n. d.).

Audit policy guiding the internal and external auditing process or typically outlining with special work, duties and right of public accountable officials and staffs to due to auditing government has to know, specify, control employee's efficiency, competition and compliance of law, control fraud, embezzlement and manipulation of public resources. Likewise misuses & sacrificing natural resources, public property, and irrationally expenses of public money. Materiality of accounting misstatement or error of accounting transaction & information made by accountant and account official, responsible person which has been provided by policy guideline or definition of audit policies. Public audit policy has verified internal control policies, internal audit policies, accounting policies, financial policies as people right & access on public goods and services or outcome or progress to get financial governance. Audit policies are guideline or direction for auditor on the basis which conducting audit to finding facts and reality about public transaction authorization by parliament or legislation and differentiates to propose outcomes /services to real achieve. Noncompetitive contracting out, less qualitative construction of infrastructure-goods- service, misuses and manipulation of public property and government licensing to public resources, embezzlement of resources , fraud billing and receipt, payment without justification and overpayment work & goods are f use for personal benefits those are common issues arise by audit finding as well as ombudsman.

**TABLE6 STATUS OF IRREGULARITIES OF NATIONS**

<b>Commission for investigation abuse of authority</b>					
Report	Complaint with last yrs. liabilities	'Tameli' (closed file) on the basis primary investigation	Settlement of complaint with last yrs. liabilities	case filed to court	Claim amount of misuses (Crore)
31th	22625	8267	14532	114	189
30th	25152	9387	16952	441	253
29th	24085	6047	15527	351	405
<b>Office of the Auditor General</b>					
Report	Number of Audit entity	Audit amount	Total irregularities (billion)	settle(difference yrs.) amount of irregularities(billion)	Recoverable (billion)
2078	5462	532791	10438	10375	3256
2077	5619	517164	13299	13375	3051
2077	6644	516092	14105	10659	4173
<b>Transparency International's report ranking of corruption out of 180 countries</b>					
2020/2021A.D.	2019 A.D.	2018 A.D.	2017 A.D.	2016 A.D.	2015 A.D.
113th	117th	124th	122th	131th	130th

33 mark out of 100	34 mark out of 100	31 mark out of 100	31 mark out of 100	29 mark out of 100	27 mark out of 100
<ul style="list-style-type: none"> <li>• Two third countries has less than 50% , 43% average mark obtain out of 100 but Nepal only obtain 33% mark in 2020/21 Above theories develop by researcher from report of those entity.</li> <li>• Source of these data are report of CIAA, OAG and Transparency international Nepal's report.</li> </ul>					

Those data shows that there huge amount of irregularities and corruption practices in which auditor general has effectiveness in reporting system, however settlement process if not satisfactory so we need to be analysis gaps between audit policy and executions. Transparency International advice that Strengthen oversight institutions, Ensure open and transparent contracting, Defend- democracy promote civil space, and Publish relevant date guarantee access. Auditor, account responsible person and responsible personal work, duties, and right are properly executed or not for sound & healthy financial system and governance.

**2.15 MAINTENANCE OF FINANCIAL DISCIPLINE AND ACCOUNTABILITY:** State law, policies, and procedure has mention financially accountability and disciplines, which obligation for state actor and agencies. Executive authorities has responsible for policies priorities, plan, programs to all process of budget cycle ( planning , budgeting, execution, performing and assessing monitoring& evaluation) and intendant outcomes and citizen satisfaction. Account responsible person, responsible person, executor of program has financial responsibility for sound and transparent activities and execution of financial management whereas account official has responsibility to control financial irregularities and responsibility, sound efficient & reliability financial management and procedure, better outputs, sound, performing budget and implementation, mention financial discipline. Financial regulation act 2068 and regulation 2064 has maintain right, duties, authorities, financial obligation for officials. Legal and moral obligation off responsibility allocated and demand for answerability by one and other is accepted is accountability. Financial discipline making legality in activities, improve financial governance, eradication of financial irregularities fraud and manipulation and transparent accountable and responsive financial system are major of financial discipline. Auditor general has audit execution of performing with transparency in financial transaction and activities said that are "The basis of auditing should not be limited to mere collection of ex-ante and ex-post financial data of expenditures and revenues. It seems very important also to collect economic and resource information. Among the latter, it is quite important to know the amount and type of personnel employed in the various institutions and offices and the extent of their activity, expressed in terms of standard indicators." (Asian Development Bank, 1999, p-37). Auditor dong assesse sing process of budget cycle to reporting of irregularities, gaps, malpractices, manipulation, misuses of resources, error on financial policies which is further more betterment for control financial fraud and further more improving in financial cycle or system.

Audit report explore various number of financial irregularities and unaccountability that has relationship with financial corruption. Tax embezzlement, misuse of "tax settlement commission", N-cell capital gain tax, leasing land and property, Nepal oil cooperation and Nepal airlines purchasing of land and aircraft, time extension and overpayment are few example that raise question to ongoing corruption in audit report. Based on audit report other agency like Commission for investigation abuse of

authority start investigation of corruption and file case to court. Given that it is far preferable to eliminate corruption than to uncover it, the fight against corruption by the SAI (supreme Audit institution) should be diverse, according to INTOSAI. It entails, but is not limited to, the following: (1) incorporating corruption and wrongdoing issues into routine audit work; (2) raising public awareness of corruption and other wrongdoing through prompt and open disclosure of SAI's audit findings; (3) enhancing techniques and tools for combating corruption and other wrongdoing; (4) giving whistleblowers a way to report wrongdoing; and (5) working with other institutions in the fight against corruption. (International organization for supreme audit institution, 2019, p-15). Government audit practically continuously ongoing process to controlling and action against the irregularities practices and promote accountability for reduction corruption empirically. Dynamic feedback generated by monitoring & evaluation and Audit policy is also very important tool and mechanism of monitoring & evaluation, where economy, efficiency, effectiveness, regularities and propriety of appropriate raise and use public fund and resources beyond ethical, moral and legal background and response toward the anti-corruption efforts.

**2.16 GAPS IN POLICY PAPER AND EXECUCATIONS:**Provision of Financial regulation act 2064 article on 100(2) irregularities, which he may regularize decision made of financial irregularities by secretary of ministry, and likewise article 106 made provision-relating remission. According to auditor general report more than 46.75 percent of irregularities are group of irregularities financial transaction, which is, regularize decision by secretary (Accounts Responsible Officer). Last 10 years unlawful irregularities regularize by secretary. Number of persons involve in irregularities, number of persons who repeated more than one time in same type of irregularities, action on repeated of same irregularities by same person and remission by committee by last 10 years, repeated case and action and responsibility of loss bear by person has not recorded intuitional memories. Ministry of council had decided to eliminate irregularities as” Beruju Bemakha Nirnaya”. These type of decision has regularities are not one time removed. Gaps to find error and not system reform and taking legal action, which cause yearly increasing same type of irregularities. There gaps in policy and executions.

**2.17 CONCEPTUAL FRAMEWORK:**Reviewing of literature of those theoretical aspects, audit report of auditor general, different practices, that relationship between audit and financial soundness. Audit policies are granted by constitution, laws-by laws, policy accepted by government (three tier of government in federal system), guideline, directives, and direction issues by auditor general, transforming policies international agreement, negotiation,international & regional organization ( International organization for supreme audit institution, Asian supreme audit institution, SAARC audit organization etc.). Those policies adapted to performing audit, settlement irregularities and improving financial system and activities. According to public expenditure and financial accountability program on Nepal seven pillar of financial management are Budget reliability, Transparency of public finances, Management of assets and liabilities, Policy-based fiscal strategy and budgeting, Predictability and control in budget execution, Accounting and reporting and External scrutiny and audit. (Public Expenditure and Financial accountability secrateriat, 2016). Audit basic and primary role to mention finacial accountability and discipline.

- a Effectiveness of Audit Policy:** Audit policy help to understanding audit entity, auditees, audit scope-objective, conditions of transaction & financial activities & limitation of audit to assessment risks to determining audit activities and procedure, selecting tools and equipment and establishing measuring indicators, deploy & develop audit information system–manpower, audit review or peer review, developing appropriate audit procedure to conduct audit and reporting. On the other hand, in other recognition legal framework or identify responsibility and arrangement audit operation, settlement, and reporting. Audit policy must be sufficient, relevant, efficient, simplicity( clear, precise) which make easier to execute.
- b Maintaining Financial Accountability and Discipline:** Public official has financial role duties and authorities are maintain in financial procedural act 2068 and regulation 2064, as well as other relative profession law and by laws. Audit has knocking and stimulate role, clearly demarcation of expected output and actual output of financial investment and resources to performance and bearing accountability, declaring gaps between capacities & assign responsibility and task of public official, error in policy and outcomes of national policy. Audit report presented to parliament and public, which has recommended for action, correction, and improvement, that help to control financial irregularities make disciplines. Public sector responsibility, objectivity, professionalism, concern, responsive, integrity, fairness, prudence are inject to financial administration toward archive financial expectation of society.
- c Audit Partners and Responsibility:** Audit, Auditees, Account Responsible official, Responsible persons, entity or person who has duty or obligation for safeguard and responsible to public investment and resources, (contractor, mediator, people representative, Stakeholder, society etc.) those who's responsibility toward public resources and property has verification through audit. To inquiry proper execution of duties or right in appropriate manner beyond law and legal framework of use public funds , resources, property and expenses to execution of determine nation goal, program, projected scheme or plan by parliament through budget and relative law that has maintain regularities, effective, efficient, economy, and property of maintenance plan, policies, program , projects. Auditor general auditing by not only financial regularities but also these days audit of value for money, gender, information technology, disaster, environment etc. Coordination, organized and discipline partners are help to maintain discipline.
- d Irregularities Settlement and Controlling:** Audit report explore the error, material misstatement of financial status, irregularities, fraud & manipulation through inspection and verification of financial status. Public account committee, irregularities settlement committee, irregularities settlement and monitoring committee, auditor general regular irregularities settlement process etc. are major controlling and improvement process, which strengthen financial status making accountable and discipline financial sector and society feel financial governance or accountable & discipline.
- e Relationship to Financial Soundness:** Boosting up & transparency, accountability, credibility in financial transaction activities and level of participation of society in development to delivery of service and goods, which is exploring by audit report that elements to improving financial governance. Transparency expressing linkage of accountability, accountability rest to answerability, that disseminated by audit report. Audit report all cycle circulated through audit policy.

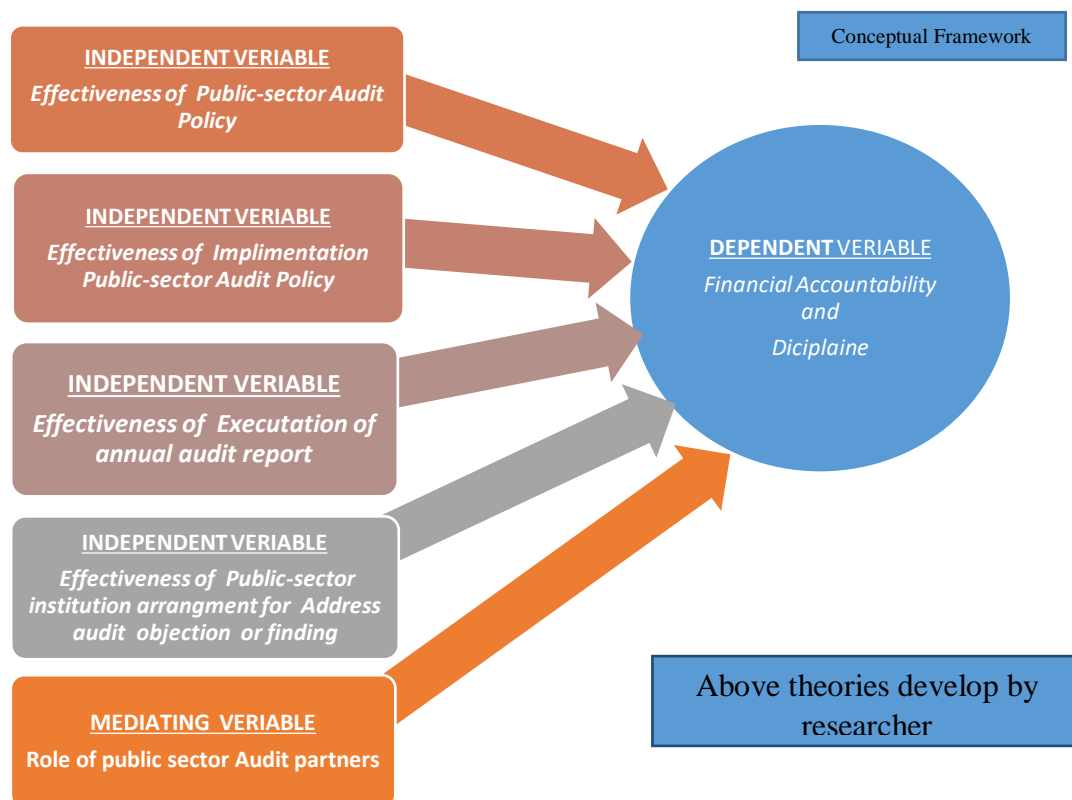


FIGURE 8 CONCEPTUAL FRAMEWORK

f **Extraneous variable:** There is unwantedly extraneous variable also intervening in role of financial discipline and accountability maintain which were not studying. Internal control system, organization culture of auditees, Efficiency and absorption capacity of Auditor for execution of audit policy and political willingness to address the irregularities. These types so it has taken as obstacle of auditing system.

**2.18 RELATIONSHIP BETWEEN VARIABLES:** Maintenance of financial discipline and accountability is part of financial governance where financial irregularities, fairness, soundness, optimum outcomes, and the best result for the stakeholder have a vital role. Audits are examinations of financial transactions with related evidence, documents, and decisions, executions financial resources on plans and programs, project outcomes, stakeholder benefits, meeting the objectives of public budgets and directives of parliaments, etc. Audit policies are directed at the execution and reporting of audits, which include examination, verification, and investigation of financial and natural resources. It looks like a decision in terms of financial transactions. Audit policy implementation refers to the application of audit policies to various financial situations and transactions in order to obtain audit fact-finding and objections. Audit reports present audit outcomes that vary with compliance, financial transaction performance, and issues with disclaimers in a systematic manner. Institutional arrangements in the auditing system go to betterment to control financial irregularities, objections, and misuses of public funds and resources. It is critical in making sound administrations. Audit partners play a specific role in public sector audit policy formulation, implementation, and execution of public sector audit outcomes or finding of audit reports with action and long-term financial discipline. Other oversight agencies are boosting financial governance by executing audit reports and taking disciplinary action on those who commit irregularities. All those independent variables' effectiveness emphasizes the reduction of financial irregularities and misuse of public funds and resources, whose correction and soundness

help to maintain financial discipline and accountability. This way, dependent variables have replication in independent variables.

**2.19 CONCLUSIONS:**Literature review has conceptualization that every audit policy has most relation with the financial accountability and discipline. Nationally or internationally, audit policy and organization aim to minimizing the financial irregularities, where audit policy has prime role on it. If audit policy formation to implementation not proper visualization or implementation or not sufficient of audit policy then & there is questioning audit policy's effectiveness, If audit policy work efficiently, minimizing policy vacuum, there incorporate the value of personal and institutional of responsibility, accountability which eliminate fraud, manipulation, irregularities and establish financial discipline. This study we examine whether the audit policy has properly done his work or sufficient for maintaining financial discipline or accountability. For this propose, Research Methodology and design to conduct research. Word to word interpretative of different report and literature as qualitative and quantitative data are analysis by SPSS, which we make to conclusion.

Using questionnaire, collected data by conducting these research to office of the auditor general policy level staff, staff of comptroller general as audit execution partners and ask some public. Discussion held among the politician and audit expert about policy's effectiveness. This has done within short period of thesis semester. Mixed method approach applied and analyticallyinterpretivism way to get in conclusion.

## CHAPTER-III: RESEARCH METHODOLOGY

**3.1 INTRODUCTION:** Reviewing the literature has confined the conceptual framework, which delivered through the legal, or policies, thematic and contemporary current burning issues, that is prevail as practices and problem. After realizing the research question there is a sequential studying by methodological framing and their limitations. According to Kumar, Research is both a way of thinking and a set of abilities. Within this framework of thinking, you usually question what you observe, make an attempt to further explore, understand and explain your observations, and draw conclusion inferences to enhance your practice skills and their knowledge base. ....Research develop this analytical way of thinking in you, and knowledge of research methodology provides you with the techniques to find answer to your research questions. (Kumar, 2016,p-2) This methodological section has deliberant the activities of research in proper way to logical and rational way get into the conclusion of effectiveness of public-sector audit policies effectiveness to mention financial accountability and discipline. This section has focus philosophical approach, sample size, collecting data, analysis modality etc.

**3.2 RESEARCH PHILOSOPHY:** Possibility, conditions, constraints, and limitation of scientific knowledge can explore by philosophy of science, philosophy is the art of asking question or conduct inquiry or investigation with scientific discipline systematically. Malcolm Willans added that The concerns of philosophy regularly underlie and shape different disciplines. It seeks to make clear our ideas, transcend the particularity of disciplinary obstacles and ask questions about those very things that we often take for granted: as an example, the nature of “fact”. let us examine a bit greater carefully what it's miles that philosophers do and why they do it?. ..... philosophers are involved with what it's miles that makes people what they're. Are there positive matters that we ought to, or have to no longer, do? Are there values that transcend history and extraordinary societies? can we say what counts because the “right life” is the equal for all? those are ethical questions. As we will see, they form a relevant part of studies practice. certainly, the truth seeker John Stuart Mill (1806– seventy three) defined what we now name the social sciences as “ethical” sciences. In all of those things that difficulty us as researchers, we will discover epistemological, ontological and moral issues. (Malcolm willans, 2003, p-four,7) Assumption are the bases of knowledgesh, how we perceive the fact or real world, where researcher must be consider how it is, when philosophical question that 'what is what?, why to know or what is good?, what so we know knowledges?' Without the philosophical consideration we can't reach to destination because knowledges never ends, that truth is assumed and get knowledge and philosophical idea collecting evidences to proof it or evolve new theory.

Rosenberg delivered statement which says that Philosophers have set up no consensus on the best nature of their field. however the idea that philosophy has a close connection to the sciences-bodily, organic, behavioral, and social-is one on which almost all philosophers agree. For some of the questions that philosophy has continually addressed are the questions ( 1 ) that the sciences can't solution and (2) that situation the sciences' inability to answer them. ....The philosophy of technological know-how may be able to vindicate the ones picks. at the least, it may reveal to scientists that they have got made choices, that they have taken facets on philosophical problems. it's far crucial for scientists to apprehend that now not simply, due to the fact the philosophical positions of scientists ought to be steady with the theoretical and observational findings of their sciences. Being clean approximately a discipline's philosophy is essential due to the fact

on the frontiers of the disciplines, it's far the philosophy of science that courses inquiry. ....The social and behavioral sciences have no longer been so fortunate. Inside those disciplines, there is no consensus at the questions that every of them is to address, nor on the methods to be hired. This is true both between disciplines and even within a number of them. (Rosenberg, 2008, p-1,2) Philosophy is way toward the reliable knowledge which did through the Structure, tool, instrument, and design to systematic study & guide. Here, we say research philosophy is belief and assumption to developed acceptable and reliable knowledge on base of natural reality.

The philosophy of science is concerned with all of the assumptions, foundations, strategies, implications of science, and with the use and advantage of technological know-how. This area once in a while overlaps metaphysics, ontology and epistemology, viz., while it explores whether medical outcomes comprise a have a look at of fact. Further to those critical troubles of technological know-how as an entire, many philosophers of science keep in mind issues that observe to specific sciences (e.g. philosophy of biology or philosophy of physics). Some philosophers of science also use contemporary results science to reach" (The Philosophy of Science, n.d.) Research Philosophy has develop of knowledge with refer systematic of belief and assumption that has acceptable knowledge with nature of reality of that knowledge, Three branches of philosophy has stimulation the direction of research. Research has confined through the philosophy that is best according research subject and nature.

- ✚ **Ontology:** Ontology is part of Metaphysics (Ontology, Cosmology, Eschatology, and Anthropology) which being onto in general and deal with nature of reality with a. Objectivism, b. subjectivism, that what is exist in reality has purposed to reaches beyond nature as we perceive and discover ultimate essence & the reason of the ' true nature of things". All thing are structure of human mind and determined in consciousness.
- ✚ **Epistemology:** Epistemology study nature, origin, theory Knowledge or human knowledge has contain three philosophical position. Study of knowledge with asking what is true? or How do you know?, which has study nature source and validity of knowledge in addition inquiry differ belief or opinion, that has branch Agnostics (existence of super natural power) & Skepticism (certain knowledge is impossible or asking question about knowledge).
- ✚ **Axiology:** Axiology studied the value and ethics of their own or respondent with in research process, that judges the value. Axiology as ethics deal with moral as well as aesthetics art- beauty, as ethics- goodness and as social and political philosophy- justices, liberty, security, equity etc.
- ✚ **Logics:** Procedure to dragging that being to valid conclusion or for arguing that being people to valid conclusion. Deductive logic and Inductive logic deal general to specific deal & specific to generalization respectively.
- ✚ **Realism:** Idea has generated independently by human mind developing knowledge through the scientific method. Thing exists independently of our perception which studying material world clarify or develop an idea that recolonized has possible
- ✚ **Positivism:** An observation of social reality, which has observable, creditable and measurable results or outcomes, which is empiricism. Positivism is evidence-based reality has mathematically interpreted with quantitative & deductive (generalization to specific) approach. Positivism focuses objectively to regularities and causality relation

among the phenomenon relativeness. Although, Positivism develop post positivism, It is methodologically pluralism concerning subjectively of reality by adapting logical phenomenon with qualitative and inductive (specific to generalization) approach of philosophy. Creswell wrote that The submit positivist assumptions have represented the traditional form of research, and those assumptions hold true more for quantitative research than qualitative research. This worldview is now and again called the medical approach, or doing technological know-how studies. it is also known as positivist/put up positivist studies, empirical technological know-how, and submit positivism. (Creswell, 2014, p-36) applied in psychology, medicinal drug, social and human sports, in which idea reasoning to get into account or idea from other contain to develop studies.

- ✚ **Interpretivism:** It is the branch of epistemology concentration to associate with the difference between human as social actor rather than objects with small sample but in depth, investigation as qualitative and inductive research. Attitude for the sake of enhancing the precious. Interpretivism is not without its difficulties; not least those arising over the problem of “knowing different minds”. Malcolm added Social investigations must rely on assertions about other people's thoughts in order to be more than self-introspective analyses of one's consciousness. Furthermore, statements regarding their representativeness, validity, and capacity for generalization must be true if they are to yield results that are anything other than trivially intriguing.(Malcolm willans, 2003, p-67,68). Research philosophy of interpretivism conduct research inductively with qualitative approach with subjective view that has been exploratory in depth and detail study, observation, discussion with small size sampling of population area.
- ✚ **Pragmatism:** Pragmatism research transferring thru the way of life, records, and language associated with factual evidences of actual global in which almost result has emphasizes and attention in research issues with the use of mixed research techniques, which is, determine by using records collection and analysis approach for precise purpose. Creswell delivered Pragmatism is not contribute to anybody system of philosophy and reality. This applies to blended strategies studies in that inquirers draw liberally from both quantitative and qualitative assumptions when they interact of their research. Individual researchers have a freedom of choice. On this way, researchers are loose to select the techniques, strategies, and methods of research that fine meet their needs and functions. Pragmatists do no longer see the arena as an absolute unity. In a similar manner, blended methods researchers appearance to many strategies for amassing and reading records in place of subscribing to most effective one manner(e.g., quantitative or qualitative)" (Creswell, 2014,p-39).
- ✚ **Constructivism:** In spite of independency of global from human thoughts, all information are construct by human activities and social action. Creswell write in his word that Social constructivists consider that people are searching for understanding of the sector wherein they stay and work. People develop subjective meanings of their studies meanings directed toward sure items or matters. Those meanings are varied and multiple, leading the researcher to look for the complexity of views instead of narrowing meanings into a few classes or thoughts. The aim of the research is to rely

as plenty as viable at the individuals' perspectives of the scenario being studied....., constructivist researchers frequently deal with the methods of interplay amongst people. in addition they attention on the specific contexts in which humans live and paintings so that you can recognize the ancient and cultural settings of the members.(Creswell, 2014, p-37). Research is a part of social and cultural interplay of truth of subjective creations which people construct via socially remark, interplay, person revel in sharing Research philosophy is platform to decided philosophical approach to conduct research, when, how, and why.

In research, we conduct research as observe reality objectively and reality has subjectively seen to explore the fact. From which we derived questionnaire, interview, survey, observation, Key informant interview and exploratory describe and interpret analytically the research problems, testing hypothesis and logically and mathematically analyses outcome and outputs. Systematic thought to acquire logical, reliable or valid knowledge is relevancy of Philosophical approach that help to formulated objective, strategy, statement of problem, data collection, analysis and get to conclude.

Above literal meaning, show the importance or relevancy of research philosophy in this research. **Ontological** approach to know what is reality or what is reality exists and perceiving the real nature of society, here present the status of public sector audit policy's reality for effectiveness to mention financial accountability and discipline.Philosophically, the ontology of action **pragmatism** is concentrates on practical and actionable thoughts, belief, ideas, and experiences (knowledge), relinquishing practical functions to inquiry as well as experimental inquiry, interrogating, evaluating, research, discovery, problematic situations that are practically applies, & successions. Pragmatism has focused knowledge and methods on epistemological behavior that concern to accurate and affect the practical ramifications of social reality & issues. The utility of new, unpredictable situations is always being discussed and understood in relation to reality.

**Realism** Empiricism and **objectivism**: Asserting that social phenomena and their meanings have an existence that is independent of human conduct and interpretation, ontological perspectives assert that the reality of the world exists. . Realism usually refers to an attempt to portray the subject matter truthfully, without the use of artifice or the addition of elements from speculative fiction or the paranormal. The terms are frequently used interchangeably, as is naturalism.,

**In this research, we applied Philosophical foundation of ontology with empirical studies** what is exit in reality just waiting to discover that are studied or understanding through the observation or human experiences. **Empiricism& Nominalism** is philosophical belief that knowledge acquires by predominant experience or evidence, focus discussion, observations sensitize by sensory organs applied inductive methods (individuals to generalizations).Here in research data are experimentally, evidence, discussion, questionnaires, conceptually understanding data that have been knowledge are proven hypothetically observed and tests. With applying framework **Pragmatism Research** where phenomenon could be concentrate on practical thought, ideas experiences, realistic and problematic situational inquiry observed and articulations for lead for advancement of social knowledge & interpretivism understanding the view of people and explaining the action with qualitative methods Key informant interview , observation etc.

Empiricism systematic study to acquire knowledge about interested phenomenon that examinant reasonable assurance and relevancy of thought hypothesis test, experiment, predominant of experience and evidence gathering to individual people to generalize them as inductive methods

**Nominalist/Constructivism/Subjectivism:** Nominalists presuppose that humans never directly experience reality and that everything that happens in the real world is constantly filtered through our subjective perceptions. According to this idea, most nominalists have held that only physical particulars in space, time are real and that universals can only exist post res, or after particular things. Though certain interpretations of nominalism hold that some particulars are abstract or nonexistent creatures, others are concrete, or actual, beings that exist in space and time..

**Interpretivism** has to descriptions of human behavior or social activities and experience through Key informant interview, interview phenomenology, ethnography etc. So this research including all the activities of interview,

Questionnaires and case related to that philosophy. Those positivism and interpretivism of relevancy to social research with mixed research approaches.

Research of this thesis conducted to literature reviewed theoretical aspect as much as we study auditor general report, theme and document analysis, study and interpret relative publication, policy related guideline-book-publication, report to audit, related focus group discussion which we qualitatively analysis. In other hand, we study through data collection, questionnaires and collective relative data from different offices, analysis of secondary data of report, which has been quantitative data analysis to conduct mixed research methodology. Researchers of this research has not limited by one single philosophical approach but it relative to all in one in different manner where oncological deal realty, experiences and historical analysis of literatures review and policy practices, positivism deal with quantitative data form collection data by questionnaires and report and other issues of publications and empirically get to conclude. Constructivism, post positivism, interpretivism dealing qualitative data analysis of different secondary publication and report, focus group discussion and Key informant interview . Mixed Research method we deal different philosophical approach as our research propose.

**3.3 NATURE OF RESEARCH:** Nature is research condition has to be define 'which and what type of research conduct?' 'What kind of reason for doing?' that either proof or disproof fact. Research topics has focuses to output analysis of public sector auditing policy as financial accuracy and reality of financial governance. This issue of financial accountability and discipline is prime issue in local, national and international level, when Nepal is in 133<sup>th</sup> rank or most corrupted nation in corruption, so there is vital role of auditing policy in public sector. Backlog and irregularities are increasing day by day explore by annual auditing report and no significantly improving year to years. The research has concerning with auditing policy cycle where is lacking to boosting up appropriate and rational outcomes or effectiveness. Their research has to deliver the strength and weakness part of public -sector audit policy efficiency to maintain accountable and clean administration and financial activities. Financial accountability and discipline uphold by public official by rule -regulation and policies for shake of proper appropriate and lawful utilization public money has done or not. This research verifies the

audit policies status because of exploring the increasing financial irregularities and corruption issues on present society, reasonability and gaps for financial healthiness. Research conducted for partial fulfillment of MPhil degree, however it has typically important for public official to innovative & implementing idea about differential or lack of public policy. Public audit do maintaining effective financial correction to bear accountability and discipline. Researcher in this research would applied mixed approach of research so quantitative use deductive approach for generalization to specific, more ever in qualitative will use inductive approach for specific to generalizing to get concluding the research finding. From above approaches using primary and secondary data as questionnaires, interview, focus group discussion, literatures studies (report of OAG, journal, different publication, book, relative's publication) as well as empirically do research through observation, experience, and share experience by own and other and analysis is. Systematically finding the answers where eliminate conflicting theories through observation and experiences.

**3.4 METHODOLOGY OF RESEARCH:** Perceptions and sensation knowing something by careful investigation and inquiry acquire knowledge support by evidence or information, which is justified, validated and reliable. Creswell added that the 1/3 important element within the framework is the unique research methods that involve the styles of information collection, evaluation, and interpretation that researchers advise for their research. As proven in desk 1.3, it is far beneficial to do not forget the overall variety of opportunities of statistics collection and to prepare those methods, for instance, with the aid of their degree of predetermined nature, their use of closed-ended as opposed to open-ended wondering, and their focus on numeric as opposed to nonnumeric facts analysis. (Creswell, 2014, p-45) Systematically, structural way to get into conclusion that problem observation and empirically evidence/information, data collection, compilation, presentation, secondary existing data for intensive propose to get solution or answer of unsolved problems by description and interpret it.

As say by Kumar that, inside the framework of wondering, you usually question you have a look at, make an attempt to in addition explore, apprehend, and give an explanation for commentary and draw conclusions and inferences to decorate your understand capabilities and their understanding base. Studies is an imperative a part of exact expert practice in many professional, has been liable for significantly influencing the practice techniques, and results in these professions. (Kumar, studies method, 2016, p-2). Research methodology is theory of research based to identification, collection, analysis, discriminated and use of information to research is research methodology where information are assembling and recording with clear purpose, interoperate or develop idea. Formulation and clarifying, reviewing, designing, collecting, analyzing, writing are stages of research methodology. Studies method is a manner to systematically solve the research hassle. It can be understood as a technological expertise of analyzing how research is accomplished scientifically. In it we observe the numerous steps that are typically adopted via a researcher in analyzing his studies trouble alongside the logic in the back of them According to Kothari, Studies method is a way to systematically remedy the research hassle. it could be understood as a technological know-how of reading how studies is achieved scientifically. In it we observe the diverse steps which can be usually adopted by using a researcher in studying his research trouble alongside the logic in the back of them. It is vital for the researcher to recognize not only the studies strategies/strategies however also the technique. Researchers not only want to know a way to expand certain indices or checks, how to calculate the suggest, the mode, the

median or the usual deviation or chi-rectangular, a way to practice specific research strategies, but additionally they need to understand which of these strategies or techniques, are applicable and which are not, and what would they suggest and imply and why. (Kothari, 2004, p-8). Research method encompasses ordinarily precept to guiding research on determinate topics the usage of device to collecting information, descriptive interpret & statistically analyses, player or respondent remark and systematic plan to resolve problem.

This research based on scientific methods prepared by both parts of technical and legal aspect based on and current 8 years auditor general reports data using financial and statistical tool. Analyzing the First, second and last eight years Auditor general yearly report, existing audit policy, audit partners and audit report implementation, parliament public account committee' last three years decision on report and monitoring.

- I. **Type of Research Problems:** Research problem are casuist and descriptive research problem where we analysis the right or wrong as well as existing situation of auditing scenario where we differentiates the audit report finding of 2019 & 2021B.S. and current eight years auditor general reports.
- II. **Source of Problems:** Relationship between two or more variable that has been causal relationship toward the problems. After the long period of time and different policy and policy standard audit finding different issue related to fraud or irregularity but similar type of irregularities are continuing every year report. There is big question arise between the finding and action and policy effectiveness. Personal experience and above literature review are source where multidisciplinary perspective and deductive approach simplify and synthesize the problems.

Above Philosophical foundations, we conduct mix research approach for research. Testified public sector-audit policy enable or not for maintaining financial accountability and discipline by reduction irregularities and obedient to state financial rule and regulation or policies. Nepalese context transformative audit policy internalized, there is issue of materializing in contextualize as well as absorption & applicability/ operationally capability. Research will verified with different influences of independent variable for financial fairness through qualitative and quantitative.

**3.5 RESEARCH DESIGN:** Research design is a plan to execute research economically, efficiently, timely and achieve intensive result / outcomes. Here, we say plan to collected data, information, literature, analysis those, tabulation, presentation, describe or interpretation, evaluate statistically or descriptively to get into conclusion or answer of problems or questions. In other word realization of problems, formulations of hypothesis, literature review, survey and documentation, develop conceptual/ & theoretical framework, collecting data or information, analysis, testing of hypothesis and interpret, describe presentation to get into conclusion and report writing. Creswell says, within qualitative, quantitative, and mixed methodologies approaches, research designs are types of inquiry that give explicit guidelines for the procedures in a research design. Others have referred to them as research strategies (Denzin & Lincoln, 2011). As computers have improved our ability to evaluate complex models and our ability to analyze large amounts of data, as well as people have developed new methods for conducting social science research, the designs that are available to researchers have increased throughout time. (Creswell, 2014, p-41) It is process or way to journey to deciding answer of research question or problems objectively, validity, reliability, accuracy, economically with procedural and operational plan and method, that from collecting information or data from respondent , to analysis, fact/reality finding for getting knowledgeable

conclusions.

According to Kumar that a research design is a strategy for organizing studies in order to discover answers to a certain research problem or set of issues. The plan is the entire program or schemes for the research. It comprises a summary of the steps the researcher will take, starting with drafting the hypothesis and its associated consequences all the way through to the final analysis of the data. (Kumar, Research Methodology, 2016, p-122) Good research design deal objectively, validity and reliability.

It is process or way to journey for deciding answer of research question objectively, validity, reliability, accurately, economically with procedural, operational plan and method, which from collecting information from respondent, analysis fact / finding get into conclusions. The preparation of the research project's design, often known as the "research design," is the difficult process that comes after the task of defining the research problem. Research design is the process of making choices about an investigation or research study's what, where, when, how much, and through what means. A research design is the set-up of conditions for data collecting and analysis in a way that tries to combine relevance to the research purpose with efficiency in technique, according to Kothari. The research design serves as the conceptual framework for the research process and serves as the guide for data collecting, measurement, and analysis. As a result, the design contains a flowchart of the researcher's steps, from developing the hypothesis and considering its operational implications through doing the final data analysis. (Kothari, 2004, p-31) Research work conceptualization with dependent, independent, mediating, intervening, and error variable to reaching answer of unsolved problem. P.R.Joshi s said that A research design basically focus on sample design, observation design, statically design, which is propose to provide answer to research question and control variances. Well organized procedure, methodology utilization to carrying research with identified information, to lead conclusion or outcomes scientifically, that is experimental, correlational, descriptive, explanatory, exploratory, and evolution in nature characterized by neutrality, validity, reliability and general ability. Office of the auditor General has important responsibility or role of public-sector auditing are mandated constitutionally. Legally, policy, professionally audit office has to delivered qualitative audit report as far as stewardship of public money. Public financial sector irregularities, fraud, manipulation, corruption and misuse are prime problem shown by OAG, CIAA and international agencies which corrected through effectiveness of audit policies make financially accountable & discipline. Regularity audit raising compliance issue legally, policy and financially as more as analysis irregularities, gaps, and unlawful financial activities public officials, body and offices. Performance auditing has analysis economy, efficiency and effectiveness of financial management and activities with criteria, conditions, cause, consequence and recommended corrective action, that clarify status of accountability and financial discipline to be corrected. Auditor General annual report to parliament and discussion in PAC has reinstated diminishing the accountability and financial accountability of officials.

Auditing is subject of social science and above scholar quotation clarify that descriptive way to establish relationship of different social perception and feeling even in individual or group and community. Research plan and final analysis, operational plan, collect-analysis data, concluding idea or finding are confined in design, where we for this research mixed research design is appropriate because we quantitatively primary data & questionnaire analysis to get into conclusion through deductive approach where as

qualitatively different discussion interview and secondary data inductively analysis for conclusion. Questionnaire, focus group discussion, interview, observation, annual report of OAG are descriptive analysis to get conclusion for meet research objectives or testified hypotheses. Interpretative approach to explore the gaps, difference in public sector audit policies to describe the effectiveness toward maintaining financial accountability and discipline. This is based on annual audit report of 8 years, secondary publication about audit and annual report, audit policy literature documents, likewise questionnaire, discussion with expert and observations and analysis for giving conclusion toward the objective mitigation.

- **Mixed methods research** : A quantitative in nature to collected data as descriptive research analysis widely use in social research to answering or describe the research problems 'what', 'when', 'how', and 'why' known as observational research method, where is not influences or control by their variables. Followed methods for study are survey, observation, Key informant interview to study relation, correlation between variables, cross sectional of some group of people. *Descriptive research* design to describe *relationship between dependent and independent variables*. Behavioral aspect and their reflection in subject matter and information has presented descriptively to analyses based on survey and observation. *Questionnaires* are setting, interview and discussion held to concern Quantitative methods applied and relative person to uncover the facts of problem. Descriptive more fruitful in narrative study. Different audit report, journal and literature study and analysis outcomes effectiveness of public sector audit policy.
- **Pragmatism approach**: Pragmatism acquiring knowledge by scientifically proof evidences and experiments that gather data or evidences empirically, observations with sensory, logical inquiry or questionnaires, experiences, derive logical truths etc. To interpret finding for linkage between variables and casual relation and differences to them, so this methods also uses in study. Applied research to explore data systematic analysis and visualization and transformation, doing is normally use for inquiry efficiency to develop new products to existing audit service to improve to promote discipline and accountability. Applying the theory of Realism and objectivism and Nominalist/Constructivism/Subjectivism to acquire the knowledge through the experience, problematic situation though ideas, which are practically applied and succession.
- **Analytical Research**: Analytical research is critical, careful, evaluating facts and contrast study as cause-effects analysis. It is literary research, public opinion, scientific trail, and meta-analysis to proof hypothesis of supporting ideas. This research looking forward public sector audit impact in effective delivery of financial discipline or accountability or not.

Interpretative, descriptive and analytical of Research paradigm we use mixed approach of strategies as both qualitative and quantitative methodology. Qualitative method is appropriate for this study because our quality data such as auditor general narrative/fact-finding, audit policy & policy paper analyze, national and international audit directives and standard and literature on concern subject are analyzing in Deductive (Quantitative data) & inductive method (qualitative data) to truth data analysis with readability and validation. The data analysis generalize to specific to be conclude. Likewise, quantitative data analysis help these study deductive methods to specific to generalization the research and conclusive remark on subjects. Conceptualization & operationalize, formulation hypothesis, observation, testing by collecting data

(formulation, tabulation, promptness, cleanness), investigations, measurement, analysis and interpretation a problem & data to analyses to proof hypothesis effectiveness of public sector audit policies effectiveness for maintaining financial accountability and discipline.

**3.6 OBSERVATIONS:** Observation is observing a situation, often a behavior and its frequency, in which the participant observes what the researcher is trying to discover and is aware of the realities, people, situations, or problems in the field or on the ground. I will explain the situation. Observation Researchers themselves are fully involved in hands-on activities with groups, community areas, or institutions where researchers share their experiences through observation and knowledge. Observers actively participating in a group of people or in a researcher's field and may be revealing, concealing or active may make observations. In this research, I actively share my 25 years of experience in the field of public auditing and my experience and insights in this research as a freelance auditor.

**3.7 KEY INFORMANT INTERVIEWS:** Key informant interview has been done to limited number of experts who are well known or connected to related field or community which explore reality of problematic situations motivational belief , opinion are in depth and probing questions. The key informed interview is in limited number of people or small group discussion held in favorable environment with free frank and open dialoged to expose ground reality of situation or problems. it is flexibility and in-depth interviewing to primarily knowledgeable , informed and expertise one by one interview directly to acquire knowledge from informative group of people to explore new ideas and issues. Key informant interview could be conducted through to telephone and face-to-face interview however here face-to-face interview are conduct and getting mail in those question too. In-depth and holistic investigation of a single entity or small number of entities that could be individual, group or institution, community and other. This is a approach systematically inquiry it an event or set event to describe or explain the phenomenon of interest as exploratory research flexible or open-ended question to data collection and analysis in sighting event & situations by use purposive, judgmental or information-oriented sampling when idiosyncratic complexity.

Plan, developing instruments, train to data collector, data collection, analysis, and disseminated finding are the stages for intensive, instrumental and multiple/ collective Key informant interview that study 'what are the characteristics of this particular entity, anchored in real life with in-depth description using multiple data collection technique or rich holistic descriptions of context issues testing internal, external and construct validity. Key informant interview we use multiple course or triangulation data, create a Key informant interview base data, maintain a chain of evidences. Key informant interview in modeling, empirical (create-profiling), experiment and qualitative does. Investigations, collection case, small size sampling, capture complexity of object, to develop and understanding the case, characterized, with different variable to explained, explore, describe Key informant interview method that has been data are collected through interview, observation, perceptions and survey, creating profile , historical, logbooks sketching imaging etc.

Researching this topics, we historically analysis issue raising system & settlement of annual audit report of auditor general 2019 B.S., 2021 B.S., & last eight years. We observe practices of auditor general in policy formulations to

implementation of public sector audit. Discussion and interview with the relative policy actor and expert as qualitative research's Key informant interview for finding the crux are of thematic value of audit policy effectiveness toward financial accountability and discipline. (Select question in Annex-2)

**3.8 DATA COLLECTION AND ANALYSIS:**Data used to collect for their opinions or arguments conclusive remark. Data must be purposive clear and precisely. Information, data, fact, figure collected from person, group and different activities or sources for investigation or conduct research which could be qualitative and quantitative, collected as primary and secondary to run research efficiently effectively is data collection. According to Pant, data collection tasks involve transferring order information from the real world into a recording system so that it may be later reviewed and studied for patterns. Methodology cannot be used to start and analyze for patterns without the data. (Pant, 2018,p-216)

Kothari cites as important after a research problem has been identified and a research design/plan has been developed, the work of data gathering begins. There are two different categories of data, primary and secondary, that should be considered when choosing the technique of data collecting to be used for the study. (Kothari, 2004,p-95) Data are digonistice, predictive , prospective, statical( disctirptive & inferential) and text analysis. Studying research problem under research design by using validate and reliable technique to collection of information for measuring , analysis the target variable to answering the research problems is data collections.

The process, which a raw data has cleaning, editing, classifying, visualization, tabulations, estimate analysis and analysis of relevant information help to research conclusion, called data analysis. Kothari claims that the term "analysis" refers to the calculation of certain metrics as well as the pursuit of patterns of relationships between data-groups. In order to ascertain with what validity data may be stated to reveal any conclusions, "in the process of analysis, associations or differences supporting or conflicting with original or new hypotheses should be subjected to statistical tests of significance." However, some people (including Selltiz, Jahoda, and others) prefer not to distinguish between processing and analysis. They assert that, generally speaking, data analysis entails a series of closely connected procedures that are carried out with the intention of condensing the information gathered and arranging it so that it responds to the research question (s). (Kothari, 2004, p-122) There are two type of data analysis catagorically a) qualatative- interview, focus group discussion, experiments etc. b) quantatitave – critical and interprtion of figure and numbers etc., that presentation and summurize method need data according go research perposiveness. Pants pen that The goal of data analysis is to transform the raw data into an intelligible display. Raw data doesn't generally offer much information. Therefore, before its full meaning and implications can be grasped, it must be carefully assembled, analysed, and interpreted. As a result, the data gets changed into information. The transformation of data is known as analysis, which is the process of looking at the information and using it to make decisions. (Pant, 2018, p-284)Without collecting data there has to be discussion method to analysis data and take dirctc secondary data as controversary area for analysing.

**a SAMPLE SIZE AND SAMPLING PROCEDURES:**This research is follow mixed research, we apply quantitative sampling as probability, non probability and mixed samping design/systematic sampling as well as qualitative apply non probability sampling( perposive,judgemental,expert,accidental,snowball, convencing,quota etc.) in research which appropriate at the movement, These are size and procedure;

**a.1 Population-**Kothari asserts that the "Universe" or "Population" is made up of every thing in every subject of study. A census inquiry is a thorough count of every component of the "population." When every aspect of the investigation is taken into account, it may be assumed that there is no chance factor present and the utmost level of accuracy is reached. However, in actuality, this might not Sample has been obtained from be accurate. (Kothari, 2004, p-55) An element is a component of a population, such as a person or an object. A population is an assortment of items that has a theoretical definition. In most cases, the cost of studying an entire population is out of reach for both the researchers and the subjects due to concerns over privacy, time, and money. (Tony Tripodi, 2008,p-3) Auditor general office, Comptroller general offices and his staff of other staff, general citizen that is population of our study.

Those definitions has summarize that purposive data as sample taken form aggregate elements is populations. Here, we study effectiveness of public sector audit policy's effectiveness for maintain financial accountability and discipline so our population is auditor office and auditees or government (accounting staff and program executive staff). Data is so symmetrical and homogeneous so we take small sample size to executive our research.

**a.2 Sampling frame-**In order to create a small cross-section, Kothari continued, the respondents chosen should be as representative of the entire population as possible. Technically speaking, the chosen respondents are a "sample," and the selection procedure is referred to as a "sampling technique." This type of survey is referred to as a "sample survey." (Kothari, 2004, p-55) Study view aspect and perception of audit partners as auditor, auditees, account official, responsible persons from involving in financial activities. A sampling frame, according to Tony, is the list, index, or set of records from which the sample will be selected. This frame may not completely include the study population. (Tony Tripodi, 2008, p-3) Study run sorrounded by audit/ account related literature, sample, questionair to audit policy executive personnel etc In this research Population size is near to 3500 official of OAG. CAG and other government office which is more homegenious in nature.

**a.3 Sample size-**According to Tony, an element is a subset of a population, such as a person or object. A population is an assortment of items that has a theoretical definition. In most cases, the cost of studying an entire population is out of reach for both the researchers and the subjects due to concerns over privacy, time, and money. So it is necessary to choose a subset of a particular population; this process is known as sampling. Sampling is a technique for choosing components from a population. A sample is a subset of the constituents of a population that emerges from a sampling plan. A sample should ideally be chosen to be representative of the entire population (i.e., elements accurately portray characteristics of the population).(Tony Tripodi, 2008,p-3) Sample must be represent the aggregative populations and purposive. The sample size can be chosen to produce a confidence interval with a given width, or, alternatively, a maximum error of estimation that is only the confidence interval's half width. According to Bristol (1989), determining the sample size for confidence intervals with a given width is different from determining the sample size for hypothesis tests with a certain power. (Ryan, 2018, p-33) There we say if hetrogenous, amestrical, long interval type date we increase sample size, however homgenous, short interval and symetrical data has limited or small sample size. Sample has taken in cluster and stratified as well as convincible random where population homogeneity group and cluster are divided analysis data.

Sample size are at least 10 years and one group cluster minimum 105 person (auditor, auditees / accountant, office program, executor, government official)

**TABLE7 POPULATION AND SAMPLINGS**

Office of the Auditor General (Audit Staff)				Office of the Comptroller General (Account Staff)			
Post	Darbadi	Fulfillment	Sample number	Post	Darbandi	Fulfillment	sample number
Deputy Auditor General	4	4	1	under Secretary	174	155	5
Assistance Auditor General	18	16	4	Account Officer	630	482	15
Director	111*	82	15	Accountant	1652	1294	20
Audit officer	225	210	20	Co-accountant	534	332	-
Audit superintendent	120	78	-	-	-	-	-
Audit Inspector	16	7	-	-	-	-	-
Total Number	494	397	40	-	2990	2263	40
*Director one post is special director (Charter Accountant ** Data is directly acquired from Office of the Auditor General and Office of the comptroller General and Other supporting staff and other service group have not incorporate. (Number of Staff at the date of 2022 march 15)							
<ul style="list-style-type: none"> <li>• Program executive officials: Differential professional general citizen has to take sample 25 about their perception of audit policy' rationality and effectiveness.</li> <li>• Source:-Data has taken from OCG and OAG.</li> </ul>							

**a.4 Rationality of sampling:-** All data collection through the questionnaires from government officials who working as accountant, auditor and responsible persons for public resources who are homogeneity in nature. Observation and key informant interview are held who are intimately including in audit and accounting process and reviewing 10 years auditor general report and other relevant literature and report which expose the scenario of auditing status of audit policies so that we take the 105 respondent for the questionnaires survey.

**a.5 Sampling technique:** Sample are collected non random sampling methods by using judgemental sampling of an individual research entrusted and deliberate selection with considering limitation of selections.

**a.6 Measurement or Data analysis-** Using Rensis Likert scale of five stage of choices as well as we draw open question some matter which respondent give their free version. General form of structure apply to collection information & data. Interpretative and descriptive we use logical analysis of literature and secondary publication data etc. Interview and focus group discussion with predetermined question and answer. Observation held to current practices and process form nearby own experience more than 20 years.

Data are analysis with central tendency, correlation and regression ANOVA F test, which also analysis with valid frequency table of questionnaires.

**a.7 Qualitative in nature** we use convincing sampling as auditor general report and other due professional publication. Quantitative value are statically analysis inductively to get conclusion set hypothesis.

**b SOURCE OF DATA:** Data has gathering through observation, survey, experiments which may be internal or external sources. Internal data is generated by institution self, however external generated by government and non-government agencies and sometime syndicate method to acquire data (survey, mail, electronic method to reach certain area or person). Most common way of data is primary source –questionnaires,

interviews, information from correspondents, focus group discussions and secondary source-published and unpublished printed or other materials.

**b.1 Primary Data:** Primarily Data has collected through the Questionnaires, Interviews, Focus Group Discussions, Observations, and Survey, which is used to fact explore about concern problem and presentation tabulation to analyses. Interview and discussion with different person (auditor, accountant, office head, and common people) collect perception, experience and view collected and analysis to interpret and are into conclude. Questionnaires are setting and collected problem related information from concern parties and people. Data are statically analysis central tendency and dispersion and get into conclusion.

- Questionnaires will conducted to audit the partners mentioned in the sample size.
- Some audit and accounting group focus will be discussed
- Audit experts and politicians will be discussed with 2-4

**b.2 Secondary Data:** The research design based on recent historical data. It covers the 10 years period 2019. 2021, 2071-2078 B.S. fiscal years taken as a year period. It deals with annual audit report, current audit policy, responsible parties' corrective action and availability of information, archive knowledge.

- Annual audit report, directives and standard, bulletin, booklet, institution publication, audit bulletin and other publish and unpublished data and information of auditor general.
- National planning commission, statistical bureau, Transparency international, comptroller general, Commission for Investigation Abuse of authority's publication, annual report, periodic plan and other publication.
- Nepal government, Auditor general and different international institutions policy, policy paper and publication.
- Report and publication availability of public account committee
- Tribhuvan university center library and research site online, website information are study.
- Different research finding and conclusion.

These above description collected data, observation, presentation, literal logical analysis and descriptive analyzing deductively in qualitative as more as, quantitative numerical values has collected through questionnaire, tabulation and presentation to them systematically and interpret inductively.

**c FIELD WORK:** According to Joshi, field study research is a scientific investigation aimed at determining the connections and interplay between factors in social structures. The field study investigator looks into the connections between people's attitudes, values, and behavior in different contexts. Usually, the researcher does not change independent variables. (Joshi, 2001, p-19) Situational and practicality of auditing policy in public sector to accountability & discipline has been created and establish for shake of financial optimum and rational outputs.

Ellen says that when a question is chosen, the system of area research almost perpetually alters the way wherein the query is framed or posed, as well as the research layout. All social scientists who have engaged in widespread discipline research in developing nations have a story to tell about how the noticeable focus of a research undertaking changed dramatically when they hung out inside the area. Iteration regularly takes place whilst discipline research provides new insights into the question or reveals new opportunities for gathering records (e.g., the sudden discovery of an archive; a useful informant or touch; a herbal test; or

an thrilling social conduct, policy, or outcome). This situation can also cause a rethinking of the research query itself or of the strategy for reading the query. (Ellen Perelman, 2006, p-132) In this Research relating to our academic degree in research philosophy, so researcher purely self-involvement in questionnaire collection, focus group discussion, observation. Interview for qualitative analysis with those audits partner and study cultural and organizational practices for auditing policy by using research more than 20 years' experience in related field.

- d** **VALIDITY AND RELIABILITY OF DATA:** Global data includes ongoing confidence measures to verify test convergence effectiveness, internal consistency, and accuracy. Validity is defined as the closest approximation to factuality or untruth of a statement involving causality that is currently available. The ability to make assumptions about the magnitude of variance observed in a sample (Daltalo, 2008, p. 12). . . , the validity refers to the systematic error. Valid measurements reflect only properties of interest and random errors. ...'Validity refers to the veracity of a statement. It determines whether the research actually measures what it should measure, how true the research results are, or whether it measures what it designs and the device it measures gain. The measurement process measures the variable to this degree. Realistic and accurate measurements with limited reach to focus more analysis and results. If it is not reliable, it will not work, and the instrument is not very reliable. Test reliability obviously refers to a test instrument's capacity to measure what it claims to measure of test reliability. Estimate alpha (Ryan, 2018, p. 351). Reliability means consistency between series of measurements. A measuring instrument is reliable if it always gives approximately the same results for different samples of the same size.(jopper2000,-p156) (Kothari, 2004, p-180). .It is the agreement of the instruments, how reliable the measurements of the object or design of interest are, on the one hand, the degree of instrumental measurement of the same object at the same time under the same conditions has to be maintains consistency in resseach. It makes easier yeild, fast result. Reliability can be exit without validity but relaiability is poor then validty also poor. Incosistency is error in measurement, these are observation error, environment change, and participant change which is succussive/test-retest, alteranative form method/estimate, simlutenousmesurement/inter-ratio, internal consistency relaiability. Predictive validity: - Here test the accuracy of the predicted test used to evaluate the subjects of construction frameworks and their consequences or outcomes is known as predictive validity. By measuring an instrument's effectiveness, the ability to predict what it is designed to predict can forecast results. Research has been conducted mixed method that qualitative compare results descriptively subject matter design with the results and outcomes. Likewise, we compare quantitative results with predesign prediction or framework. Relationship establishing through and between the Pearson coefficients of correlations. Test correlations & predict the new instruments has predictive validity. This research have establishing framework to determine the outcomes form collecting data and facts and test correlation statistical data. Reliability: - Reliability test on this research has been tested the all questionnaires of all 105 respondent through the SPSS scale analysis to test Crone Bach's Alpha for consistency of questions. Value "between" 0.00 to 1 nearer to one goes for perfection. Hare test the it for finding reliability of questionnaires and its executions.
- e** **ETHICAL CONSIDERATION OF DATA:** We propose that researchers have an ethical obligation to assess the dangers that participants and society at large may encounter as a result of their work, according to Geraldine Lee. However, we are aware that

participant safety in terms of ethics is frequently unpredictable, particularly when social research is reinterpreted by other institutions like political parties, interest groups, and the media. (Geraldine Lee-Freweek, 2000, p-18) Ethical researcher must have integrity, values, moral without scientifically misconduct as falsify, distract data, false report, and laboratory create dummy presentation, methodological/psychological abuse, stress or loss of self-stem, legal harm. There are voluntary and informed concert are conducted for respondent free and agreed participation. Ellen added that, moral problems stand up inside the path of any studies assignment. numerous that pertain to group interviews deserve particular mention. the first is confidentiality. In character interviews, researchers have a excessive diploma of manage over the facts this is shared in the course of the course of an interview. As part of any informed consent technique, they can tricky what is going to and could now not be done with these facts. In-institution interviews, participants are usually asked to comply with preserve information private. however, it is hard, if now not possible, for any researcher to implement confidentiality. (Ellen Perelman, 2006, p-111) This present research has to observed different dimension of public sector audit policy process cycle, questionnaires and focus group discussion are held for conclusion

**f PRESENTATION AND DATA ANALYSIS:** Data Analysis interlinking collected information, data, with experiences to apply and utilizations by purposiveness to answer the research questions. Auditing sector's research is social research that we conduct mixed research method, so we present some qualitative analysis with fact, figure and observation status where in quantitative data we analysis numerical value interrelation with their variables. Data/ value has to be tabulation in row and column to measurement, present systematically and logically from gathered structured information for statically analysis, which will interprets for getting conclusion to determine trend , relationship and pattern. Data are categories as quantitatively (discrete & continuous/ frequency) and qualitative data (nominal & ordinal) which measurement scale by logically acceptable rules. Process of measurement, interprets, evaluation and analysis is data analysis has state to theory of its empirical evidence. This research will have textual and data table presentation to analysis the data. Textual process will limitation to variable and purposive of research for qualitative evidence or information. Data table will be represent to quantitative data or numerical value to questionnaires and focus group discussion with simple mode of data analysis of dependent and independent variables.

**g STATISTICAL TOOL FOR DATA ANALYSIS:** Analytical process mostly use SPSS version 26 to analysis of data collected as Questionnaire, irregularities amount and settlement states. Especially analysis double mean, standard deviation and correlation between data. If needed there is multiple regression analysis too. Respondent will be ask request to fill up firm developed questionnaires (open and close). Descriptive data analysis is type of statically methods to exploratory or predictive modeling of graphically & numerically, that including numerically value of quantities to define content in quantitative research and categories value of qualities to define content in qualitative research to summarize the important fact and finding of information.

These research using 'Qual-Quan' methods applying the mixed research methods, Research are mainly goes through descriptive statistics where variable related to populations has relatedness to applying parametric test to test mean,

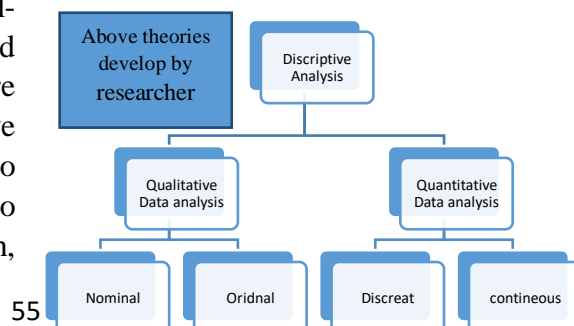


FIGURE 9 DESCRIPTIVE ANALYSIS

median, mode , regression, correlations and standard deviations by using SPSS software. Data has collected primarily and secondarily from every cluster of respondent to verifying of public sector audit policies efficiency to maintain accountability and discipline.

**3.9 LIMITATION OF FIELD STUDY:**Academic research for partial fulfillment of MPhil degree; this research has time and resources limitation. Studentship Maximum period of the six-month and the research has been to conduct on homogenous and symmetrical data to conduct mixed research approach focus on qualitative research by using limited area with small sample size. Gathering data, collection method, scope of discussion sample, scope of discussion will be carefully address all cluster and group of respondent for their representation. Research depended on secondary data, questionnaires; interview, which says, spend on reliability in the nature.

Public sector audit policy's effectiveness is new topic of research of public sector audit policy that has no sufficient research and literature about public sector audit policy and self-operating data might have limited to study because of attribute, exaggeration selective memory, and telescope. Aim and objective of research has to quantified or measurable or not , reliability and formulation overall aim has define the research and data collection methods of systematically and purposive and accuracy are also one of the measure for reliability so there must not bias view and personal issues to infuse outcomes . Research limitation of research matter or resources are evaluation of information, accessibility, and authenticity. This research mixed research approach using qualitative manner as far as data from questionnaire and quantitatively, and other relative documents of OAG, PAC, other publish and unpublished data.

**3.10 DEPENDENT AND INDEPENDENT VARIABLES:**Creswell emphasis that The variables want to be laid out in an experiment in order that it's miles clean to readers what organizations are receiving the experimental treatment and what results are being measured. .... One unbiased variable ought to be the remedy variable. One or more groups get hold of the experimental manipulation, or remedy, from the researcher. Other unbiased variables might also genuinely be measured variables in which no manipulation happens (e.g., attitudes or non-public characteristics of members). Nevertheless, different unbiased variables can be statistically controlled, together with demographics (e.g., gender or age). .... The based variable is the response or the criterion variable presumed to be as a result of or inspired by way of the impartial remedy situations and any other unbiased variables. Rosenthal and Rosnow (1991) superior 3 prototypic consequences measures: (a) the direction of located trade, (b) the amount of this transformation, and (c) the convenience with which the player changes (e.g., the participant reacquires the proper reaction as in a unmarried-challenge layout). (Creswell, 2014,p-217) The proxy measurable that has mesurable representative of not directly measurable abstract construct known as variable a property that taken as different value as the name implies is something that varies. Construct will making measurable by operational define to allow observation and mesurement testing through theoritical or conceptual framework define variable. In this research we determine thes are variable which lead to mesure our construct. There are Risk assesment technique and implementation of audit plan are also meditating vatiabes. Interventing by official and being influnces by selfness is interventing variables. We set these variable to be test in this research.

**TABLE 8 VARIABLES AND INDICATORS**

<b>S.NO.</b>	<b>Independent variables</b>	<b>Indicators</b>	<b>Dependent variables</b>
1.	Effectiveness of public sector Audit policy	<ul style="list-style-type: none"> <li>• Policy sufficiency</li> <li>• policy simplicity, clarity, consistency</li> <li>• policy reliability &amp; adaptability</li> <li>• policy abortion, execution capacity of office and official</li> <li>• Audit Guideline sufficiency and efficiency</li> <li>• Quality control mechanism</li> <li>• Institutional mechanism to taking action and inaction</li> <li>• Monitoring and Evaluation system</li> </ul>	To mention financial accountability in public sector
2.	Effectiveness of Implementation Audit policy	<ul style="list-style-type: none"> <li>• Institutional records and monitoring system for repeating the same irregularities and taking action against the repetitions.</li> <li>• Solve the tendency of repeating irregularities the same nature for decades in report of OAG</li> <li>• Compliance with Accounting and Financial Laws Activity of Public Officials</li> <li>• Understanding entity, risk assessment and planning and execution audit or smoothness of audit cycle activities</li> </ul>	
3.	Effectiveness of execution the annual audit report	<ul style="list-style-type: none"> <li>• Response of auditees to audit report of Auditor General for correction error</li> <li>• Settlement and not repeating situation on audit report tendency</li> <li>• effective follow up standard of auditor and auditees</li> </ul>	
4.	Effectiveness of public sector Institutional arrangement for addressing audit objection and finding.	<ul style="list-style-type: none"> <li>• Follow up, irregularities finding, settlement and action system</li> <li>• Monitoring and follow up</li> <li>• Budget and addressing audit report issues</li> </ul>	

		<ul style="list-style-type: none"> <li>Recording, further investigation and action taking</li> </ul>	
<b>Mediating Variables</b>			
5.	<p>Role of public sector Audit partners</p> <ul style="list-style-type: none"> <li>Auditees (OCG)</li> <li>Irregularity Settlement Evaluation and Monitoring Committee</li> <li>Irregularity amount Settlement Evaluation and Monitoring Committee</li> <li>Ad-hoc committee</li> </ul>	<ul style="list-style-type: none"> <li>Comptroller general staff or accountant maintaining liable to obey financial law and regulations</li> <li>Irregularities settlement tendency and non-repeating attitude</li> <li>PAC's decision toward eradication of financial irregularities and action against those activities explore by OAG</li> <li>PAC monitoring and evaluation of committee's own decision and regular monitoring and correction action to report of auditor general report</li> <li>Minimizing and monitoring system of Irregularity Settlement Evaluation to audit irregularities action, activities and Monitoring Committee Ad-hoc decision and committee's unequal footing decision about irregularities settlement</li> </ul>	
<ul style="list-style-type: none"> <li><b>Extraneous variables: Time for auditing, disclosure in financial statement, and management involvement in fraudulent practices are extraneous variable, which has limited the audit policy effectiveness.</b></li> <li><b>Source : Develop by researcher after study of literature for conducting research.</b></li> </ul>			

**3.11 TIME FRAME AND SCHEDULE:** It takes 5 months, 1st month is survey, develop research framework, observation, 2nd half month study literature, interview, discussion, questionnaires setting and develop data tabulation, presentation, statistical tool to analysis. 3rd - 5th month cleanliness of research finding and statistical analysis and get into conclude and write a report and presented to concern body.

**Table 9 TIME FRAME OF RESEARCH**

Topics	February	March	April	May	June	July
Literature review						
Data collection						
Data analysis writing report						
Report Presentation						
Finalize thesis						

**3.12 CONCLUSIONS:** Research examines as descriptive analysis with above research methodology about public sector audit policy's effectiveness. Their policy gaps, absorption of transformative policy, implementation strategies, personal & institutional capacity, role of audit partner as meditating variable boost up for accountability & financially discipline, role toward control financial fraud, corruption, manipulation, reliability, control misuses & accessibility of public resources, like the factor make public financial sector financially soundness. These studies examine the responsibly toward financial discipline and accountability has not proper maintain by public official through effective executions of audit policies.

For applying the SPSS software we analysis central tendency, dispersion correlation regression of parametric test of qualitative and quantitative data of mixed research methodology.

# CHAPTER-IV: DATA PRESENTATION AND ANALYSIS

## PART-I: AUDIT POLICY, AUDIT REPORT, ACCOUNTABILITY, AND DISCIPLINE MAINTAIN

In this section analysing secondary data and literature, observations, focus group discussion with experts, which has be material statement for research objectives. Audit policy has executive by different level of Organizations. OAG, OCG, PAC, different irregularities settlement, monitoring and evaluation committee, stakeholder, responsible and account responsible officer, as well as 'kendriya Tahasil karalya'. Finanacial procedural act 2064 and regulations 2077, audit act 2075, other relative act, laws, bylaws, audit standart, finacial policy and audit policy has clearly mention the role, right, duly and accountality as far as legal provision to take action on irregularities of Audit Partners, eg. OAG, OCG, PAC, other commitee, govenment officials. Those audit policy has to be quided the direction of officeial toward finacial discipline through audit finding, issues and objections. Supriem audit institution has provision of Quality assurance wing to assist the quality of audit throug internasl and inter SAI peer review. In these movement we analysis those part of data that public sector audit policy to maintain the finacial discipline. In those process is to delivered the finacial discipline and accountabiliyt of public official. There are difference, influencing factor, other problem relative material and audit partners activities or effects, role to defining accountability and maintaining discipline has simultaneously presented.

This section we can observation through grounded theory to explore the effectiveness of auditing policy where we get to concllude that how effectively did for accountability and finacial discipline. Likewise in this section focus group disscussion held with the fromer secratery of OAG and experince & practicenor charter accountant with relative questions that has been summerise to get into conclude the research objectives and test hypothesis as qualatitive form of research..

### A. STATUS OF CURRENT SCENARIO

**4.1 ANNUAL AUDIT REPORT OF OAG:** Study of ten years audit report, report outline or observation are similar and those are duplications of policy, program, working area ,responsibility, and service delivery, loose internal control and maintain law, unauthorization of job dicriptions, unproductive trainning, travelling, and motivtion expenses, delay in authorization and expensese at end of fiscal years, zero percent progress in programe, transfer fund, unfullfillment of psonnal, management survey, unaudited technical assesstace, objectivity are ignore in fund utilization, high adminstrative cost, unefficient monitoring of grant, advance tax not deduct, loss of cooperation, unlimited credit, project account are not submitted and timely not submitted, action has not taken on financial audit report, not consulted for appointed audior by cooperation, commodity grant, closed project refund, returen of share and capital in cooperation, production stock, limited tax audit and tax, low billing, different in sale and purchases, mis contract management (excess and unrelevant item in estimate, illegal and unrealistic price adjustment, varaiation in forcastable item, outsourcing, limited competation in contract and direct procurement, untimely contract execution and increasing cost, over contegency expenses and undocumented, change in design, excess payment, use of consultantant, uncompleted contract predetermine compensatation,

quality of contract work etc), utilization of wood, forest, and natural resources, management of conservatioal area, plant production and plantation. Common issue are raise every year by office of auditor general and they are continuation in every audit report and very few issue or fact only new in audit report. First and second audit repot had submitted to His Majesty king in 2019 and 2021B.S., which raise the question are more similar to last decade report of auditor general.

**TABLE 10 ANNUAL REPORT 2019 & 2020 B. S.**

First Annual audit report, 2019	<ul style="list-style-type: none"> <li>• Organization chart of appointing personal has not approved and it taken 18 months</li> <li>• Audit regulation and officials travelling and daily allowances has not approved by government</li> <li>• Public service commission unhelpful for nominating personnel.</li> <li>• Final audit is time consuming because of inefficient internal audit</li> <li>• Government entity has not cooperated for auditing</li> </ul>
Second Annual audit report, 2021	<ul style="list-style-type: none"> <li>• Foreign aid has not received</li> <li>• Illegal purchase of good and service &amp; Excess procurement</li> <li>• No Auction</li> <li>• Fund transfer form development budget to general</li> <li>• Government revenue are admission treasury</li> <li>• No estimation prepares</li> </ul>
<b>Source:-Data are acquired from Annual Audit Report of OAG/N 2019/ 2021 and develop by researcher.</b>	

**4.1.1 IRREGULARITIES OVER THE TIME:** According to Constitution of Nepal, 2019 performance audit provision introduced in 2031/32 and conducted audit from 2045 B.S. It has taken 14 yrs. to starting performance audit. The Auditor general has been submitted different Performance audit report to parliament as part (2) from 2055 to 2066 B.S., which has not been continuous by the acting auditor general and auditor general from 2066 to still. here.

**TABLE 11 ANNUAL AUDIT REPORT OF AG'S FINDING IRREGULARITIES (CRORES)**

Fiscal year	Audited Entity	Audited Amount	Irregularities yearly				Unsettle irregularities	To be settle down amount
			Recoverable	Regularized	Advance	Total *		
2071	4618	235413	420	2144	1811	4912	27313	-
2072	4566	251495	487	2564	2614	4877	32852	-
2073	4775	333976	4138	3048	2557	9743	39625	-
2074	6616	468791	1870	4871	5348	10906	50008	-
2075	6644	516092	3547	5169	5389	14105	37747	30618
2077	5619	517164	2432	6218	4649	13299	41831	24611
2078	5462	532791	2714	6226	1498	10438	41885	25756
<b>Source:-Data are acquired from Annual Audit Report of OAG/N 2071-2078 and develop by researcher.</b>								

\*Note: Fiscal year 2071, 2072, 2074 classification and total of irregularities different because audior general's report classified and irregularities different treat. Irregularites amount only cover the government entity because co-operation has maintain document themselves according to OAG report 2078 page no 4 first para chart.

According Report of auditor general excluding the co-operation audit finding, irregularities of audit of government entity (Central, Province, Local government and their committees) of Report of OAG/N has respectively in 2075, 2077, 2078 B.S. Audit amount Nrs. 277278, 281657, 283669 Crore and irregularities amount are 10438,

13300, 14105 Crore ( 3.76%, 4.72%, 4.97% ). In only in government sector audit amount and irregularities are following according to annual audit report of OAG/N

**TABLE 12 IRREGULARITIES AMOUNT IN GOVERNMENT SECTOR (Crores)**

Fiscal year	Federal Government			Province Government			Local Government		
	Audited Amount	irregularities	%	Audited Amount	irregularities	%	Audited Amount	irregularities	%
2074	175292	9482	5.41	-	-	-	-	-	-
2075	200884	100634	5.29	262	19	7.25	53157	2414	7.25
2077	175604	7106	4.05	18925	820	4.33	74065	3813	5.15
2078	155581	4439	2.86	23741	650	2.74	81599	4083	5.00
<b>Recoveries amount and recoveries</b>									All data are acquired from 57 <sup>th</sup> and 58 <sup>th</sup> Auditor General report
2074		2075		2077		2078			
Recoveries amount	Recover	Recoveries amount	Recover	Recoveries amount	Recover	Recoveries amount	Recover		
1870	1409	3203	970	2304	747	2660	616		
<b>Division of irregularities amount in annual report 2077 &amp; 2078</b>									
Recoveries	irregularities a+b+c+d	irregular(a)	no-documents(b)	no-carryover(c)	no-reimbursement(d)	advance			
2714	7226	2454	3745	24	2	149714 (2078)			
26.01	59.65	23.51	35.88	0.24	0.02	14.34			
2432	6217	1730	4454	6	15	4649 (2077)			
18.29	46.75	13.01	33.57	0.05	0.12	4649			
Source:-Data are acquired from Annual Audit Report of OAG/N 2074-2078 and develop by researcher.									

**TABLE 13 IRREGULARITIES SETTLEMENT STATUS OF AG'S REPORT (CRORES)**

Fiscal year	settle(different yrs.) amount of irregularities	Irregularities		Recoverable	
		In preliminary audit report	Settle amount before annual report	In preliminary audit report	Recover*
2071	2164	5515	540	377	206
2072	3050	5127	249	442	257
2073	3835	10640	897	9743	4138
2074	5291	11960	1054	1797	1409
2075	10659	14594	489	3203	970
2077	13300	15225	1926	2304	747
2078	10375	11874	1436	2640	616
<ul style="list-style-type: none"> <li>Note: Recovery amount also including amount from settlement of backlog irregularities.</li> <li>Source:-Data are acquired from Annual Audit Report of OAG/N 2071-2078 and develop by researcher.</li> </ul>					

There is no specific issues raise and not dynamically change fact and issue delivaration. Reprot size has decreased to one volume but similarity issues and patttern continuity. National pride project progress, procurement of tent in earthquick, tax rebate, ownership of property of project, visa sticker-2072; Economical status, revenue discount, capital gain tax( N cell ), structure change in share, sales of property, tax rebate( commision tax settlement), revene arrears, VAT refund, duel contract mangement, environmental evaluation, frequncy fee and policy execution, excavation of natural resource and sand, leasing forest and illegal takeover forest land and conservation area, stocks of wood, collection of 'khoto', tuin replacemnt -2073; fuel facilities, facilities

before provision of law, poverty fund, capital market, elevator construction, transaction of gold, land purchases and use by nepal oil cooperation, air pollution standard, light helicopter procurement-2074; heavy equipment used by user group, SAFTA rebate(tax), quality management in contract, oral dyhydration salt-2075; refund of grant of government, investigation of property of nepal trust, invetigation of sources, detail project report of fast track-2077; courts case and settlement, reconstruction of 'Dharahara' and cultural heritage, Nepal Rastra Bank not accomulate unformal sector source, pipeline construction, rail operation, road safry plan execution, retairement facilities expenses-2078 were the issues raise in annual report of Auditor general, which is contineous from 1st annual report. There is stricural change in 2067 B.S. but not in content, pattern and core theme, annual report changes pattern in annual report 2073 which follow international standard reporting style with issue base reporting but not continue in other report.

4.1.2 **JOB DESCRIPTIONS:** Audit staff has major job are arrange in job description. Report work done in two tier, audit conduct by three tier, settlement audit objection by 4 tier of officials where follow up has clear demarcation in amount of follow up. Where major job audit has no area wise, officer wise & amount wise specific demarcation, that meet illusion and unnecessary power exercise between official, and missing beauty of hierarchical bureaucracy of central administration policy of government.

**Table 14 MAJOR AUDIT RELATED JOB DESCRIPTION**

<b>Major audit related job description</b>		
<b>S. no.</b>	<b>Post</b>	<b>Job</b>
1.	Deputy Auditor General	<ul style="list-style-type: none"> <li>• To Submitting the subject matter to the Auditor General for final report</li> <li>• To Certify project accounts and deduct irregularities amount</li> <li>• To review the quality system</li> </ul>
2.	Assistance Auditor General	<ul style="list-style-type: none"> <li>• To Drafting for final report and approve the audit plan</li> <li>• To coordinate, supervise, and evaluate to allow for initial reporting, final reporting.</li> <li>• To certify project accounts and deduct irregularities amount</li> </ul>
3.	Director	<ul style="list-style-type: none"> <li>• To lead of audit with preparing audit plan and program</li> <li>• After acceptance of Supervisor issue the preliminary audit report, final report of specified office</li> <li>• To Drafting for final report and deduct designated irregularities amount</li> </ul>
4.	Audit Officer	<ul style="list-style-type: none"> <li>• To submit draft of audit plan and program to supervisor</li> <li>• To conduct audit, and using delegated authority by Supervisor</li> <li>• To issue the preliminary audit report</li> <li>• To draft annual report of auditor general</li> <li>• To prepare final audit report considering the replay on preliminary report.</li> </ul>
5.	Audit	<ul style="list-style-type: none"> <li>• To conduct audit, and draft preliminary audit report</li> </ul>

	Superintendent	
6.	Audit Inspector	• Assisting the audit work in department
<b>Source:-Job discription acquired from OAG/N and develop by researcher.</b>		

Job description has to be maintain for execution audit cycle properly that Nepalese context some audit review; quality control process, level supervision and evaluation are losing the temper, as it need according to international standard.

- 4.1.3 **QUALITY ASSURANCE:** Auditor general has issue 'Quality assurance review handbook-2012' and special wing in structure of office for quality assurance. Government audit standard and international audit standard has provision for two level supervision and reviewing the file of auditor; however, the audit office changing policy to audit lead and conduct by audit manager there is gaps in two-tier inspection system. Peer review has conducted by inter SAI, and interdepartmental are not done in coming 5 years. Quality assurance process has conduct yearly a very few file which just representation, but did not help to improving quality in execution of audit policy quality control.
- 4.1.4 **ORGANIZATION STRUCTURE:** Office of the Auditor general is centralized structured office with staff 643; in spite of the government approve these staff for federal structure of nations. Auditor general has to audit more than 5000 Entity of government offices and corporations. Actual core audit staff are audit superintendent; audit officer and director are only field staff. New constitution of Nepal has changes revolutionarily in political structure, where provinces and local level government spread over the nation. Financial discipline and governance are questioning from grass root of people have to be address by auditor general. For the being part of audit policy and to execute audit policy there has been structural process must be accountable toward the public accountability maintain. Centralized audit policy process executing for the discipline and accountability in federal structure are hamper it, wherever government has approve for to decentralized are the issues for influence to establishing the discipline or financial governance.
- 4.1.5 **POLICY LACK:** Office of the Auditor General has not issue audit regulation and sampling standard after establish office six decades. Audit risk assessment system and audit plan has not mathematically calculating, practicability, as well as time assessments by following international audit standard and prevailing format. New paradigm of audit system need guideline and manual whatever audit policy are executing in prismatic conceptualization. Gender audit, Fraud audit, concurrent audit, IT audit policy has no relative policy paper for better results.
- 4.1.6 **TIMELINESS:** Public audit policy has given result better when it help to corrective action against the financial undisciplined activities. Auditor general report is product of audit policy. Internationally it is best for reporting in 3 month and better for 6 month, Nepalese context it take 9 month to 14 month for reporting study of report submitted to president. Public account committee only finish discussion of 2075/2076 report of OAG in 21th her report. It takes year to year for discussion and reporting system also delay, that violet the 'rule of house of representative' to discuss OAG report before the budget and to submit report in parliament for financial correction to create discipline & accountability.
- 4.1.7 **REPORT:** Auditor General of Nepal had submitted five volume annual reports to parliament before 2067. SAARC nation and other SAI nation were submitting different reports, subject and issue wise report to parliament. In the name of making readable, Acting Auditor General has changing reporting pattern to give one volume annual report, without any investigate. For transparency, credibility and accountability of audit policy effectiveness and issues base objection, financial

data-figure has contraction. Fiscal years 2063.9.17 to 2070.4.24, 2073.3.9 to 2074.2.7 post of auditor general were vacant and not nominated auditor general. Auditor general report had not been discussion in parliament some period.

#### **4.2 IRREGULARITY AMOUNT SETTLEMENT EVALUATION AND MONITORING COMMITTEE:**

Financial procedural rule 2064, rule (101) in chair of general secretary of government construct irregularity settlement evaluation and monitoring committee where member are secretary of ministry of finance & general administration, comptroller general and member secretary. Studying the last five years report it has found that report written on same title and same discriptions on topics 'effort of committee to settlement audit irregularites'. Writing heading on report 2078,2077,2076, 2075, 2074 are direction, coordinate, regular monitoring, ststem of record keeping, internal control system, guideline,legal provision , reminding are irregularites are settle according to target, to direct to reduce the irregularities, coordinating for additional paperwork and evidence, to reduce the irregularities by pointing out, to arrange the follow up for settlement irregularities, to enforce internal control, guide them for settlement irregularities, to regularize the unsettled amount as per the decision of the Public audit committee.committee has catogories government entity according to unsettled irregularities into three group amount, that make provision for reward on sellement more than fifty percent amount of irregularities. Every year commitee gives target percent to government entity for settle the amount of audit objections. Committee has not specified work of monitoring evaluation and making action against the irregularites as far as how much amount are settle with proactive of it. These are data on report of this committee.

**TABLE 15**IRREGULARITES SETTLEMENT STATUS(*CRORES*)

S. no.	Fiscal years	Audited Fircure	Irregularities		Irregurities		
			Amount	Percentage	Amount	settled	Percentage
1	2068/69	527	22	4.28	37	15	40.05
2	2069/70	743	28	3.77	45	20	46.33
3	2070/71	805	28	3.58	52	24	46.99
4	2071/72	854	37	4.39	56	26	46.47
5	2072/73	1039	48	4.69	67	32	47.97
6	2073/74	1296	90	6.96	84	42	50.30
7	2074/75	1791	95	5.33	132	53	40.49
8	2075/76	2004	10	5.35	174	80	45.75
9	2076/77	1747	71	4.09	202	64	31.73
10	2077/78	1557	44	2.88	210	82	39.33

Source:-Data are acquired from Annual Audit Report of OAG/N 2071-2078 and develop by researcher.

There is no special finding mention by committee and according to report their advise has recomemended for settleing the irregulariitees of fiscal year 2017/18- 2059/60, 2076/77 by zero percentage, 2060/61-2075/76 by 70 percentage, 2077/78 by zero to maximum 4% according to catagories. Inter official coordinating, fiscal years till 2059/60 's irregularities are regularize and recoverable amount upto 30 thousands rebate with reasonable justifications has to settlement audit objections. These report recommended for accountability sharing and justified the accounting discipline.

#### **4.3 IRREGULARITY SETTLEMENT COMMITTEE:**

Financial procedural and accountability act 2074 provision of "Irregularities Settlement Committee' in chair of member of public account committee. It has task for settle the irregularities amount that

is not regularize by regular process. If irregularities amount not settle on recommendation of ministry write it for recover. Last time this committee has formed in 2065-5-18 and work upto 2069-02-14, then those time no committee has been formed. Committee has not write report, but in the date time was terminated Nrs 5 billion irregularites has to be settled were transfer to 'Office of Kumari chowk tatha Kendriya Tahashil Karalaya' still 2059/60. Time-timely this committee has consturct by government with advising to Auditor Genral, it has settlled different irregularites but not deciding for policies issues & sustainbly eradication of irregularities to maintain financial dicipline or governace. Last four before it has been consturct on chair of Usha kiran Gurung of meber of parliament or PAC, however it is desolve when parliament time is off. There is specific report of committee are publish, but it is only dicsion about issues of auditor general priliminry aaudit report for primirly clear irregularities only.

**4.4 OFFICE OF KUMARI CHOWK TATHA KENDRIYA TAHASHIL KARALAYA:** Financial procedural and accountability act 2074 article 49 provision of 'Office of Kumari chowk tatha Kendriya Tahashil Karalaya' has given duty recover recoverable amount , cash, property of government, judiicial fine and panaltis and article 39 and 40, not recoverable audit objection amount of recoverble amount. According to article 47 of act after three years of audit objection recoverable and settling of irregularities jurisdiction has transfer to this office, however current practice only 2018/2019 to 2059/60 amount only transferred. After termination of 'Irrregularities Settlement Committee' five(5) billion amount amount irreglarities transfer to this office for settlement. This office settled amontn

**TABLE16TAHASHIL SETTLEMENT OF AUDIT OBJECTION (NRS CRORE)**

2077/78		2076/77		2075/76		2074/75		2073/74	
irregulariti es	settl e	irregulariti es	settl e	irregulariti es	settl e	irregulariti es	settl e	irregulariti es	settl e
157	15	153	10	147	8	156	12	165	8

Source:-Data are acquired from Kendriya Tahashil Karalaya and develop by researcher.

This office has only settle the backlog amount of irregularities not policies reform and longterm finacial accountability.

**4.5 PUBLIC ACCCOUNT COMMITTEE:** Constitution of Nepal (2072), article 97 has provision of committee on House of Representative is in and Rule of House of Representative's rule 172 mentions 10 committees in the Houses of Representative that one of them Public accounts committee has scope Public account and Auditor General's report. Studying 19th, 20th, 21st, yearly report of committee done decision on auditor general report has found that are following;

**TABLE17SETTLEMENT AUDIT OBJECTION ON ANNUAL REPORT OF OAG**

<ul style="list-style-type: none"> <li>• Machinery and printing press that has not taking into use or operation must be operate otherwise transfer it.</li> <li>• To management of revenue, and recoverable amount shown in financial statement.</li> <li>• Land that has purchase for purpose to construct building of embassy to be utilize &amp; reduction rent to pay.</li> <li>• Gazette employee has taking household worker, who working outside would control.</li> </ul>	<ul style="list-style-type: none"> <li>• To recover the excess amount and quantity payment and warn the concern officials.</li> <li>• To remove the structure from right of way of road, and to execute road safety.</li> <li>• To clear the case of three tier of courts with planning and timeliness.</li> <li>• To distribute motivational allowances on policies acceptance of Finance Ministry.</li> </ul>
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<ul style="list-style-type: none"> <li>• Apply competitive purchasing in government.</li> <li>• Arrange policy and law for land fragmentations.</li> <li>• To distribute poverty identity card would with coordinating local and providence.</li> <li>• To submit account of pending audit with evidence for audit.</li> <li>• To be update record of leasing government property. To maintain the record of government &amp; public land.</li> <li>• To monitoring the delimitation ('Hadbandhi') of land.</li> <li>• To recover the tax or capital gain tax &amp; taking evidence of tax adjustment paper</li> <li>• To control direct procurement and take action for those official</li> <li>• To utilizes equipment with arrange budget and program</li> <li>• To utilized medicine not in use &amp; relation to expire medicine balance in demand and supply. To taking action for those officials, none utilizes the medicine.</li> <li>• To provision of audit for technical assistances and arrears account.</li> <li>• To recover frequency tax with arrear amount.</li> <li>• To recover excess payment, unlawful payment, penalties, recoverable revenue, etc.</li> <li>• To utilize contingency expenses in relatives construction work,</li> <li>• Not to use contingency expenses of other office by department make them responsibilities.</li> <li>• To investigate/monitor the utilization of grant provide by the government</li> </ul>	<ul style="list-style-type: none"> <li>• To control double facilities.</li> <li>• To control low billing, to revise revenue rebate as recommendation of OAG, to recover arrears revenue.</li> <li>• To fulfill the structure as approve personnel plan.</li> <li>• To control become forest encroachment, to reporting the utilization of land of forest, to investigate deposited of wood.</li> <li>• Committee has order in different issue for investigation within the 3 month and to submitted report to.</li> <li>• To take action against the official who has taken advance for building without approve budget and program.</li> <li>• To complete the non-complete construction work with extension of time.</li> <li>• Confiscated the deposited amount and to took in black list for the contactor who has not completed the government project/ construction.</li> <li>• To recover excess and unlawful the price adjustments</li> <li>• Complex construction work that has not efficiency of technical, physical &amp; other reasons would not to do through the user committee.</li> <li>• To recover the predetermine compensation.</li> <li>• To expenses public money after the detail drawing, design, cost estimations</li> <li>• To timely complete national pride/ priorities projects.</li> <li>• To Confiscated the deposit amount and to took in black list for the contactor, who has cancel the agreed contract before the completions</li> </ul>
<p><b>Source:-Data are acquired from Annual Audit Report of PAC 19th, 20th, 21th and develop by researcher.</b></p>	

Public Account Committee discusses auditor general's report at sub-committee, and collected report to make final report for submit to parliament. Sub-Committee only have discussion on head of issues to give decision. Committee has not accumulate specific recommendation after the discussion, analysis & evaluation of annual Auditor General's report, and recommend for financial reform, maintain discipline and emerge accountability. Public account committee decision on audit objection has built the questioning to responsible person for answerably in their act, that make them accountable.

Direction of committee on financial irregularities for correction has maintain financial discipline. Report of public account committee has not mention execution of last report, there is no data about irregularities amount settle on decision of public account committee. How many were recover in cash/ amount, how many advances settle with recover or evidence, how many settle with evidences, how many official or responsible person were taking action, how many only settle on decision of committee not categorically maintain, monitoring & direction. There is no proper record has maintain, how much amount settle through recovery, submitted documents and only decision for settle. The irregularities doer, how many official are taking action on his undisciplined financial activates has no evidences.

Auditing there is main role played by auditor, who were executed audit policies in audit. Job description & audit manual of public sector describe audit official role, duty and authority. OAG/N's structural arrangement with 643 audit staff or work force for audit and facilitating the audit there are some parallel job, unclear scope-limitation-similarity on job in conduct where overlapping somewhere and somewhere missing the job. Quality control system supervisor review, peer review and inter SAI review has conduct, but audit manager has engaged in audit that makes one layer of audit reviews. Accounting and internal audit is managed by OCG and issued internal audit guideline. Irregularities Settlement Committee, Irregularities settle monitoring and evaluation committee has formed to maintain financial correction in raising issue by OAG. Parliamentary committee public account committee has discussion on public account and report of OAG, give direction toward irregularities and financial misuses to correction, and maintain financial discipline. Kendriya Tahasil Karyala has duty for settling amount before the fiscal years 2058/59 with amount 5 billion. Here is not satisfactorily correction irregularities finding by auditor general reports. Follow up and monitoring settle approximately 40 percent however, same issues are repeated and volume of irregularities has been increased day by day. Institution has done formality rather than to efficient financial management to promote accountability and financial discipline. PAC has discussion and deciding on issues of annual audit report of OAG however there is not overall analysis of financial discipline and status of accountability as well as poor monitoring and evaluation of audit finding and public account for maintaining their accountability and financial corrections. Annual audit report discussion has pending different years too.

## **B. OBSERVATIONS**

In this research, in my 22 years in the ethnographical trench of experience and working in the same fields as public audit manager and registered private auditor / practitioner, I systematically observed and got different aspects of field reality describing the observing variables or sets of variables. Observation is mainly based on participatory observation and somewhat naturalist observation too, to collect some reality, fact and factual qualitatively. The effectiveness of public sector audit policies has been descriptive & contextualized, analyzing, viewing the event or action of analysis of a policy cycle run with an objectivist approach to ethnography.

**4.6 RECORD KEEPING, RECORDS MANAGEMENT, AND ACTION:** Financial procedural and accountability act 2074 has provision of keeping account in section 5, article 25-30. Comptroller General has liability to issue accounting standard. Prepare & submit accounting format to Auditor general for his acceptance before to execute it. All transaction account to be kept by office. All revenue account record keeping/ accounting, verifying, preparing financial statement goes accountability to the office head. All financial transaction and activities responsible person as office head or revenue or accounting staff are accountable. They also have answerability what they did in financial soundness, fair transaction, if not they are responsible for financial discipline.

Irregularities amount has to be settlement through recover cash/ amount, regularize irregularities, and submit evidence and taking action by concern person in transactions. Ultimate accountability of these activities is 'Account responsible officer'. If there unable settlement irregularities then office keeping record of own, central office or ministry keeping record of all subordinate office or entity and it is transfer to 'Office of Kumari chowk tatha Kendriya Tahashil Karalaya' office, which would recover through the legal action against them. Then- there financial accountability and discipline process are continuations. Auditor General Office has not cumulative record of irregularities and settlement figure from the beginning. The institutional memory of public audits are found to be extremely weak because the records management is very weak from the time of establishment until date. Whether or not any government body has settlement of irregularities done 'Beruju' according to the classification of 'Beruju'. Public Accounts committee, irregularities settlement committee, OAG/N has not record of clearance of irregularities on what manner of deciding of that committee or not and how much has recover, how many submitted evidences or how many decision and action to the public official who are responsible for irregularities. There is proper evidence of change in financial discipline, Auditor General, Parliament committee, government entity and office has not maintain settlement account that settle through decision of different institutions, how much settle through recovery, evidence, secretary's decision o regularizing and making actions for furthermore corrective action that deliver the financial accountability.

**4.7 REPORTING PATTERN:** Auditor General has given single volume report for compiling all types of audit, yearly activity & progress and there are no separate audit report of different audit and issue base audit report e.g. performance, gender. IT, Environment etc. Separately volume of performance audit report had submitted still 2063 B.S. to president but that is not continued. There is no separation an annual report and audit report of OAG/N. OAG/N report highlight different issues of irregularities, misuses and fraudulent practices on public finance however, audit report is complicate and not separate that is difficulties for public for acquiring information. Preliminary audit report are issued but not in practice to issued final report after addressing the response of audit. There is some question about similarity and equal treatment among the audit report of entity, above all audit report has made transparency and accountability to public official through execution of audit policy effectiveness to maintain financial governance.

Public account committee's different report there is only decision on auditor general reports issue wise decision for irregularities clearance. Committee has not overall analysis of total financial scenario to make financial discipline and accountability as well as decision and overall scenario in her reports as well as committee has not monitoring report on her report execution and direction to legal action. Irregularities settlement committee has not given any report of her work on financial discipline & accountability

maintain, except list of settled irregularities amount by it. Irregularities settlement monitoring and evaluation committee has collection statement of settle amount of irregularities but does not take any action on irregularities amount has been pending from six decades or more than half century.

Auditor General and other government institution has no data of how irregularities has settlement after establishing of office and government has done corrective measure for financial discipline. The Public Accounts Committee, the 'Beruju' settlement Committee, the Secretary has not even kept a record of how many 'Beruju' recover the amount from the decision, removed from the evidence, how many have been executed in the regular decision. In the last few years, the Auditor General has not been keeping a record of how much money he has recovered after informing the Secretary and the Minister.

**4.8 LEGAL SYSTEM, CREATION OF ACCOUNTABILITY, AND ACTION:** Financial procedural act and accountability act 2074's section six-article 36 point the duty to submit the account and financial statement of transaction to auditor as well as answer the question of auditor or other material they need for audit. Irregularities done in absence of perform duty is responsibility of responsible persons. It is duty to settle audit objection or result of responsible person, however it would not be possible by him then audit office could write to 'Account responsible official. Account responsible official would also unsuccessful then could write to concern minister to settle them then it accumulate to annual report that is mentioned in article 39, 40 of financial procedural and accountability act 2074. If audit finding the government loss, damage property, or cash then responsible official has duty to recover with taking action against the responsible person. Preface says motive of act is to make the federal and other financial systems accountable, transparent, result-oriented and accountable by managing the audit and other economic activities, overall economic stability is considered. Recovery will be maintained like the rest of the government amount those objection of audit, which has not been, settle with regular process (article 39 and 40). Similarly, according to financial procedural and accountability act, 2074's article 57 there is provision to fine penalties NRs. 500-5000 and taking departmental action against to them who not submit account, maintaining record, not settlement of irregularities on time.

Office of the auditor general has issued the 'Financial accountability cradle evaluation procedure-2073'. Procedure mentions that accountability level measure through the unsettled irregularities amount objection by OAG, added that irregularities represent both figure and theoretical issue. Final decision maker also evaluates through there are irregularities or audit object were settled or not.

**4.9 THE CONTINUITY OF IRREGULARITIES OR OBJECTION OF AUDIT 'BERUJU':** The continuity of irregularities or objection of audit 'Beruju': With working own experience in these audit field found that audit irregularities has similar in nature from first report of AG to 59th report. E.g., Noncompetitive procurement system, excess payment, recoverable amount, backlog tax amount, price adjustment, variation etc. There is main problem has repeating same nature irregularities which has been regularized in same year by secretary continuously. Period of audit has not submitted evidence and after the audit objection evidence are submitted after long period of transaction. There is no action to that account responsible official and responsible person. Easily transaction without has been done then regularized according act by secretary without objection. Secretary and minister both has not taking any action. There is no archive on repeating same error by responsible personnel

Auditing has executing 5462 of entity and audit work force are 643 where core audit staff is only 455 who involved in field audit. Audit team consist of 3-5 member that ratio shows the unnecessary burden for team to appropriate execution of audit plan. Timing are less to 1-3 days per entity. Internal audit are inefficient says in every annual report OAG/N. There is minimum level of audit objection are clear within the period of 35 days from the issue of preliminary audit report. Audit policy are not fully execution as well as audit finding are repeating and huge amount but not meet the public demand as Forensic audit, Fraud and manipulations findings, outcomes analysis of the national investment. Auditees, responsible persons, account responsible officer, concern minister has not proper settlement of irregularities as well as follow up audit has settle issues not in satisfactory level but which similarity & raise every year, maintain financial discipline and accountability but not in satisfactory level. Irregularities settlement committee are concentrate in issue base settlement rather than overall financial discipline and accountability. PAC has directed and decided on issues for settlement but not in overall analysis toward the financial discipline. Risk analysis has not covered gray area influence audit planning and risk register were not proper maintain. Parallel execution of audit-by-audit manager and audit staff, two level review laps which policy maintain but not well execution, Audit implementation in concern in voucher auditing rather than system based audit that increased in irregularities and shows indiscipline part of financial condition for transparency however no sustainable financial discipline and accountability maintain.

**4.10 IMPLEMENTATION PARTNER:** More than one person or institution are involve in engagement of auditing statement and produce report or finding to delivered accountability and financial governance. Audit policy are implementation by different partner's a. Auditor, b. Auditees, c. Irregularities settlement committee d. PAC e. Government account responsible officer and Responsible officer of other stakeholder to mobilizing and answerability of public fund. According to IFAC, Berlin perspective was meant to limit the scope to those dealing with group level problems. Who are responsible for important decisions or judgments on critical matters with respect to the auditing of the financial statements regarding which the firm would offer an opinion? We think the latter interpretation should be accurate because, a) partnerships overseeing subsidiary audits, which are not engaged at the group level, are frequently a crucial stage in the development of future group audit partners, and, b) these relationships are those that are most likely to result in familiarity threats. (IFAC Berlin, Germany- IESBA Agenda Paper 3-J, 2007) Newly modality of auditing Performance audit , Gender audit, IT audit etc. where we conduct auditing with collaboration with User, Citizen, Expert to related field, NGO/INGO . In these sectors, introduce the partner who is equally responsible for program execution and answerability of public fund outcomes, transparency. Conducted jointly audit by SAI and Citizen that has increased quality of audit, narrative disclosure provided and certain accounting method and measures for outcomes. Nepalese audit has conduct citizen partnership audit and In performance audit focus group discussion in performance audit in field who are actually involve in execution the program for their own and societal goal.

**4.11 FOLLOW-UP AUDIT:** Follow-up audit form developed by OAG where the 'Responsible person' settles the irregularities with sufficient evidence to request OAG/N for a follow-up audit. More than 5000 entities spread all over the country, but OAG/N is in the capital city. The auditor general takes a minimum of 3-7 days to follow up, and very few follow-up audits have been done in field audit because of time constraints in field audit. Still, today there is no analysis of the cost of follow-up audit for institutional

arrangements, recruiting temporary staff, travelling cost, impact on development limiting time, even though the government accepted structural reform 2 times to decentralize an audit office that is not mobilizing to grassroots level. Expected financial discipline, reform and accountability has not been done after all those systems of follow-up. Accounting officials are not punished for regularizing an amount, which was not authorized, and without taking action to liable person, without sufficient evidence & documents to regularizing, e.g. advance amount, recoveries, need to be submitted documents, advance taxes etc. Auditing staff should also make an answerability for follow-up audit, which must assist quality, which has not been conducted by OAG/N.

**4.12 AUDIT LAW:** Constitutional provisions from the first constitution ' Nepal KO Bidhanik Kanoon 'of Nepal, however office of auditor general established in 2016 B.S. and Audit act has issued in 2018 B.S. General amendment had done in old act even though the new act has issued in 2048 B.S. Which is generally modified and contextualized with new constitutions of Nepal. After has issued republic constitution of Nepal third time new act is issued in 2075 B.S. These long period audit regulations or procedural law has not made. Audit directives are mostly issued in 2055 B.S., which are updated in 2063 B.S. These scenarios has showed that there is audit policy has executed but lack and not updated timely as situation, context and international update as well as lack of any policy in different area, e.g. sampling standard.

Audit policy or standard is directly acquiring from the INTOSAI guideline and ISSAI that has a problem with language order, simplicity, clarity to procedure and absorption because of not contextualize and familiarize international system to the national context. Practical training and conference has not well informed the procedures applying only teaches the theoretical modality. There are gaps in the practical applying model, the reason of that not fully complying the audit guideline and directives. Audit work force are not multidisciplinary and specialized work force are not mentionable. Office has concern in general staff that has been influence the outcomes of audit policies.

### C. KEY INFORMANT INTERVIEWS

**4.13 OPINION OF EXPERTS:** In this section discussion with group who has long experience in field of audit on relative question toward the research. We discuss to Former deputy Auditor General and charter account with some questions, which are relatedness to variable we have discussion with three former deputy Auditor general (secretary of govt.) and eight senior charter accountant who are involve in those field and many more experience in public audit account. We discussion in seven question which has relativeness to our research objectives to test the hypothesis statement in both language English and Nepali. These are results of discussion

**TABLE 18 KEY INFORMANT INTERVIEW WIT EXPERT**

S.no.	Expert or politician	Discussion Result
1.		Has the effectiveness of public sector audit policy played a major role in maintaining financial discipline and accountability in the public sector?
	Former Deputy Auditor General	a As the watchdog of public money, OAG has played its important role in maintaining financial discipline in the public sector. In this connection, the Office of the Auditor General has identified various audit issue every year like weak internal control system, non-compliance with prevailing law and breakdown of internal controls, weak budget implementation, accountability issues etc. with suggestion to improve the system that are directly related to

		<p>public financial management but the government has not addressed them adequately. However, OAG has to review its audit policy or approach by focusing more on performance audit. In performance audit, the quality of performance audit report should be given priority rather than on number of audit topics. Such audit policy will create more pressure to responsible persons more accountable.</p> <p><b>b</b> The effectiveness of audit policy plays an important role in promoting financial discipline and accountability in the public sector. In addition, accounting policy, revenue and expenditure policy also have a role to play.</p> <p><b>c</b> I cannot say the main role, but it has played some role.</p>
Charter Accountant		<p><b>a</b> Yes, public sector audit policy has played a major role in maintaining financial discipline and promoting accountability in public sector.</p> <p><b>b</b> These are</p> <ol style="list-style-type: none"> <li>a. effectiveness of public sector audit policy <ol style="list-style-type: none"> <li>i. On demand side (i.e.; parliament, ministries, development partners) – perceived effectiveness of public sector audit policy is played a major role.</li> <li>ii. on citizen side – two different perceptions: <ol style="list-style-type: none"> <li>1. over-valuation expressing audit questions as corruption</li> <li>2. Perceived effectiveness of public sector audit policy is played a less role.</li> </ol> </li> <li>iii. On supply-side i.e. public auditors – needs further improvement and capacity development</li> </ol> </li> <li>b. Maintaining financial discipline and accountability <ol style="list-style-type: none"> <li>i. Less effective as prescribed by law</li> <li>ii. Less effective as expected</li> </ol> </li> </ol> <p><b>c</b> Yes in financial audit</p> <p><b>d</b> Yes</p> <p><b>e</b> In theory, the public sector audit policy should have played such role resulting in greater financial discipline and accountability across our various public sectors as expected. However, unfortunately, policies themselves do not suffice in achieving any planned objectives, especially in countries like ours.</p> <p><b>f</b> Ideally effective public sector audit is expected to maintain financial discipline and accountability. However, there seems to be a dichotomy that the questioned costs identified by the audit have been increasing and the settlement of the audit observations have been tardy. This implies that either the audit is not effective to bring accountability and financial discipline or there is a room to question the quality of the audit itself.</p> <p><b>g</b> Public sector audit policy has played role in maintaining financial discipline and accountability to some extent. Accountability of public sector employees plays important role for in maintaining financial discipline and accountability.</p> <p><b>h</b> Yes. However, public Sector audit policy implementations are not effective, so that the result has not come as expectations. The</p>

		auditor general report explores the audit finding has shown diminishing internal control system, governance, public accountability, and arising irregularities amount. Therefore, that it has to maintain effectiveness in public audit policy implementations.
2.	Current scenario of financial policy, auditing policy, financial framework, controlling mechanism are adequate for maintain financial discipline/governance?	
	Former Deputy Auditor General	<p><b>a</b> There is no short supply of legislations to maintain sound fiscal policy of the government to maintain fiscal discipline and good governance. However, there is problem in proper implementation of legislation and set procedures. In case of audit the existing legislation and approach applied for conducting audit seems OK. However, specialized audit has to conduct such as gender audit, forensic audit, and concurrent audit as mandated by Audit Act. Similarly, special audit policy or strategy has to be designed conducting audit of local level as a huge chunk of budget is being appropriated to them every year. The audit policy for local level has to be revisited because the current financial management seems poor in local level as reported by OAG reports.</p> <p><b>b</b> Controlling mechanism is not sufficient to maintain financial discipline. The internal check and control system are not effective and robust. The supervision and monitoring system from the senior officials is very weak.</p> <p><b>c</b> Policies are almost enough but the policy has not been implemented.</p>
	Charter Accountant	<p><b>a</b> Policy may take different form, such as legal arrangement, institutional arrangement, and operational arrangements. In Nepal, by and large policies are in place. This means design part of system is somehow okay. However, there is problem on translating policy intent into action, i.e. application part. So, mechanism in documents are more or less adequate though there always remains the room for improvement.</p> <p><b>b</b> These are</p> <ol style="list-style-type: none"> <li>a. Fiscal federalism, as prescribed by the constitution, not applied in PFM <ol style="list-style-type: none"> <li>i. Province and local government are not perceived as independent as framed in the constitution</li> <li>ii. Centralized control (law, directives, procedures, circular)</li> <li>iii. Centralized power (a circular may paralyze province act or local act)</li> </ol> </li> <li>b. Financial discipline either not defined or defined vague <ol style="list-style-type: none"> <li>i. The effect is incremental 'beruju' or corruption cases</li> <li>ii. The effect is lack of service delivery</li> </ol> </li> <li>c. Over-control or over-regulated or over-oversights <ol style="list-style-type: none"> <li>i. many over sighting agencies</li> <li>ii. overlapping authorities</li> </ol> </li> </ol> <p><b>c</b> Not enough, this might need to be updated as per international standards.</p>

		<p><b>d</b> This might need to be updated as per international standards.</p> <p><b>e</b> It is not the various policies and framework etc., it's the practice of making them work as intended would matter the most. An example, every year we read in the press that amounts of 'advances' taken and not reconciled/cleared up ('Beruju') have been increasing, with no 'firing' for any wrong-doing. Therefore, at such stage, it is difficult to test and comment with evidence as to whether these policies and mechanisms have actually worked and are adequate for the purposes they were designed for</p> <p><b>f</b> The near adoption of international standards and policies for audit, the all-encompassing provisions in the audit related legal documents from the Constitution to the Audit Act provides adequate framework for audit quality. In addition and Financial Procedure and Financial Accountability Act and anti-corruption legislations provides basis for financial discipline and good governance. But the frameworks and laws are as good as the way they are adhered to and implemented. If there are any rooms for improvement, it is the adherence and implementation rather than the laws and the policies.</p> <p><b>g</b> Current scenario of financial policy, auditing policy, financial framework, controlling mechanism are not adequate for maintain financial discipline/ governance.</p> <p><b>h</b> It is adequate, however, financial policy and framework has not sufficient for financial governance. There is room to problem with financial discipline rather than policy and its framework. Financial discipline would be maintained if all they has been corrected, so not to responsible policy only. Adequacy of policy has not maintained financial discipline because audit gives opinion on right and the accuracy of the financial statement.</p>
3.	<p>The trend of audit issues has been similar, recurring and increasing for more than half a century, although each year, a few irregularities have been resolved through follow-up audits. What are the main responsible roles of auditors, clients / auditors, accountants, accounting officers, responsible persons and accountable persons or politicians or auditing partners for what, why and how?</p> <p>Former Deputy Auditor General</p>	<p><b>a</b> The government officials, auditors and political leadership all their specific role in public financial management of each entity. So entire public sector is more or less responsible for repetition and increasing volume of audit irregularities although there is procedural clarity in financial procedure and Fiscal Accountability Act and Rules thereof relating to clearing audit irregularities. There is practice of shifting the responsibility of settling of audit irregularities to the accountant and Office in Charge. Usually duty to settle the audit irregularities is left to the accountants alone. Neither the irregularities that need to be regularized pursuant to the prevailing law are not timely regularized by initiating the prescribed process by Office-in-Charge nor adequately monitored by CAO. Few personnel with wide range of duties has also cause of growing irregularities. There is no desired level of progress in irregularities settled and</p>

		<p>compared total amount of irregularities due to inaction of entities management in follow up audit.</p> <p>OAG claims follow up audit is conducted around the year but follow up audit does not remain in priority of OAG also neither annual target is fixed for settlement. Carry forward of unsettled irregularities longer period say more than five years should be discontinued and left it to the irregularity settlement committee. In some cases, political cadre also pressurize in making payment to suppliers, contractors, service providers etc. at local level without fully complying with the legal requirement and eventually audit raise such payment as irregularity. Auditors have no option to raise audit objection if not complied with laws by entities as a result of which the irregularity amount is swelling. This indicates the lack of accountability among audit related parties in the management of public money. The key reason for increasing and repetition of irregularities year after year as no action is taken against the concerned person for failing to comply with the prevailing legislations.</p> <p><b>b</b> The main responsibility of irregularity settlement remain with responsible person in the government entities and supervision role goes to the chief accounting officer (Secretaries). Auditors also has important role but it is secondary because until and unless responsible person of the entities submits sufficient and appropriate justification and evidence for irregularity settlement the auditor only can put pressure over them. The public account committee of the parliament also has role for the scrutiny of report submitted by the auditor but this organization is not playing the role as per the expectation of the public because there is huge backlog for hearing in the audit report.</p> <p><b>c</b> Everyone has his or her own role. Politicians play the main role. Because politics is the ultimate authority to make new policies and implement them.</p>
Charter Accountant		<p><b>a</b> Only the problem is that there remains huge gap between ‘what you say’ and ‘what you do’ at every level, organization or individual irrespective of position or profession. The simple role is to keeping up the words that you say by translating them into action.</p> <p><b>b</b> These are</p> <ol style="list-style-type: none"> <li>a. Neither auditees nor auditor changed their process, attitude, or monitoring model</li> <li>b. No one analyzed the reason, all raise the finger</li> <li>c. Corruption, institutionalized corruption</li> <li>d. Lack of accountability measure</li> <li>e. Lack of accountability framework</li> </ol> <p><b>c</b> This is due to negligence to improve considering the recommendations given through monitoring and evaluation. Accountability is not linked with performance. Citizen participation in auditing, budgeting, planning etc. should be ensured to minimize the issues.</p> <p><b>d</b> This is due to lack of accountability of the Responsible person</p>

		<p>and also the lack of punishment for bad doing and prize for good. Everyone on their role should act as per the given ToR so this will be minimize.</p> <p><b>e</b> In brief, one of the key issue is lack of independent ‘corporate governance’ along with clearer division of duties and responsibilities. We have not been sufficiently able to make people working in the public sectors fully accountable for what they do. Regular and impartial monitoring and reporting of implementation of such policies should be in place, along with arrangements of visible ‘prize’ and ‘penalty’ for ‘good’ and ‘bad’ doers respectively. In my opinion, an independent entity with full authority should be created to monitor and execute the implementation of the relevant policies effectively.</p> <p><b>f</b> The repetitive nature of the audit findings indicates three things. Firstly, the auditees’ disregard to the audit findings and continuation of the same pattern of procedures and activities or secondly, quality of audit observations are such that they are not worthy of attention or thirdly, the lack of capacity of the auditors to look beyond the historically prevalent audit practices and patterns i.e. auditors do not go beyond their traditional bias.</p> <p><b>g</b> Accountant have responsibility to their clients, their company's managers, investors, and creditors, as well as to outside regulatory bodies. Accountants are responsible for the validity of the financial statements they work on, and they must perform their duties following all applicable principles, standards, and laws. They are responsible for keeping correct record as per the prevailing rules and regulations. An auditor is an authorized personnel that reviews and verifies the accuracy of financial records and ensures that companies comply with tax norms. Their primary objective is to protect businesses from fraud, highlight any discrepancies in accounting methods, among other things. Government auditors maintain and examine records of government agencies and of private businesses or individuals performing activities subject to government regulations or taxation. The most important function of government auditing is to determine whether the process of collecting and spending public funds and other relevant transactions is in line with state laws and regulations, to determine whether there is any misbehavior in the management of public revenue and expenditure, and to disclose. Among the great functions in the political process, auditing is the least well known among the scholars who specialize in government and politics.</p> <p><b>h</b> There is no role of auditor because the main role rest on the account responsible officer. A repeating audit finding or irregularities because of impunity, less governance and indiscipline done. Follow up audit is appropriate system for corrective action. Context of our nations, it is only transfer for a time. In modern audit modality or system frauds risk factor depends in three factor, 1. Social framework, 2. Attitude, 3. Fraudulent environment that raise in questions that has</p>
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		responsible of all audit positions. Specially those who are in decision level as politician, account responsible officials if they has maintain integrity and financial governance , it is no matter.
4.	Public sector audit policies effectiveness has independence, mediating, & extraneous variable. Namely, we say; <u>audit policy building-implementations, report or audit outputs execution, capable staff &amp; absorption capacity for new technology, familiarity with financial policies, institutional arrangement &amp; best practices or system of excellency, auditing partner's effective role, timeliness of audit report, discloser of statement, management involvement in fraud and manipulation, excellent organizational development.</u> Are those has influence in effectiveness & best outcomes of public sector audit policies?	
	Former Deputy Auditor General	<p><b>a</b> The matters contained in this question are absolutely important for efficient audit and better result. In this connection, administrative and independence in terms of resources to AG is most important. Similarly, institutional arrangement, relation with stakeholders, timely issuance of audit reports etc. are crucial to OAG deliver as per its audit mandate.</p> <p><b>b</b> No-response</p> <p><b>c</b> Will do</p>
	Charter Accountant	<p><b>a</b> Audit function operates along with other inter-related actors and activities. So, of course effectiveness of audit policy is affected by all variables mentioned in question.</p> <p><b>b</b> These are</p> <ol style="list-style-type: none"> <li>Public sector effectiveness or outcomes are in minimum level. Same impact is with public audit policy too.</li> <li>Apart from various improvement in public service delivery process or in audit process, the outcome has not changed as desired</li> </ol> <p><b>c</b> Might be.</p> <p><b>d</b> Might be but fully not agreed.</p> <p><b>e</b> These are obvious points. However, as always what matters is the effective execution of all these variables, with correct intention, and without fail or compromise.</p> <p><b>f</b> Audit is the combination of two characteristics, it is an art and it is a science at the same time. The polices, standards and best practices makes it a science but unless it is used and applied by the aptitude and attitude of the auditors the outcome of the audit will not be as intended. The effort has to be two-pronged working on establishing the hardware, such as laws, polices and standards and investing on the software of the auditors such as technical skills, ethical behaviors, morale and motivation.</p> <p><b>g</b> Yes. I fully agree on the notion that audit policy building-implementations, report or audit outputs execution, capable staff &amp; absorption capacity for new technology, familiarity with financial policies, institutional arrangement &amp; best practices or system of Excellency, auditing partner's effective role, timeliness of audit report, discloser of statement, management involvement in fraud and manipulation, excellent organizational development.</p> <p><b>h</b> Yes. It is primary obligations and duty of audit team with special</p>

		<p>knowledge and professionalism. Supervisor role and planning system has increasing quality of audit to make audit policy effectiveness. In audit cycle and reporting follows a international assumptions, standard, professional efficiency, organization capacity, play important role. Mandatory cradle of public audit standard has maintain effectiveness of public policy and best result.</p>
5.	<p>There has not been any activities seen that OAG has conduct curative &amp; sensitization preventive action, motivating, capacity building and training activities for minimizing irregularities for best outcomes for audit entity. It is useful to effectiveness of audit policy toward the maintaining financial discipline. Has International and best audit practice not given permission for that?</p>	
	Former Deputy Auditor General	<p><b>a</b> As reflected in the AG’s Annual Report OAG organized interaction program across the country with the audit entities. Such program is useful to understand each other and in improving financial management. It is worth noting that conducting audit and preparing audit report is main function of OAG. In my view OAG should formulate policy to enhance capacity building of audited entities also. Even one of the INTOSAI standard suggests SAI’s to cooperate and collaborate with internal audit of the government. Such collaboration is useful to OAG also as if the internal audit is strong OAG might use its resources in performance and other specialized audit. As suggested by INTOSAI, OAG has developed ‘Stakeholder Engagement Strategy 2019-2023’ recognizing the need for effective communication with stakeholders in order to enhance audit impact and to achieve accountability, transparency and integrity for the benefit of the people.</p> <p><b>b</b> International good practice of auditing does not seem to hinder the interaction and capacity building activities with the audit body, but rather the relationship and communication with the stakeholders should be made effective. The Auditor General of Nepal has also conducted such programs in a limited way and it seems necessary to expand it.</p> <p><b>c</b> Not stopped</p>
	Charter Accountant	<p><b>a</b> The statement that OAGN has not collaborated with stakeholders by conducting curative and preventive action is not true in itself. There is a question of to what extent OAGN can do such activities considering its constitutional provisions and its model; Westminster. Basically, the audit model we have adopted, Westminster, allows OAGN to conduct postmortem type of jobs. However, as good practices, OAGN has collaborated and trying to engage with stakeholders to the extent it is allowed.</p> <p><b>b</b> These are</p> <ol style="list-style-type: none"> <li>a. OAGN itself is not an institution expecting for preventive action. OAGN conducts post-transaction audits.</li> <li>b. Post transaction audits or oversights may disclose the level of financial discipline. If the responsible person accepts recommendation from auditors or oversight agencies, the</li> </ol>

		<p>PFM system works as expected. If not accepts, of course, the audit or oversight activity becomes worthless.</p> <p>c. Awareness programs may sensitize financial discipline, where experiences gained by either OAGN or other oversight agencies may support.</p> <p>c I do not think so in external audit but internal auditor can play such a role.</p> <p>d I do not think so.</p> <p>e It is perfectly possible and acceptable that OAG runs such activities including guiding further on professional and ethical considerations.</p> <p>f Covered above in (d). YES, international best practices of audit do require capacity building. ISSAI 130 requires competence, technical skills, due care and professional behavior as the basic ethical requirement for public sector auditors. For any organization to perform well or to achieve its objectives both attitude and aptitude of people working or that organization is very important and so is the case for OAGN.</p> <p>g OAGN clearly has a significant role as a public sector accountability mechanism. OAGN can encourage entities to change future behavior and sometimes to address possible failings in past processes. Public reporting can produce results. The Auditor-General is not an avenue for formal legal review. But the office clearly has a significant role as a public sector accountability mechanism. OAGN regularly look at issues that have a public law dimension to them or which might equally be examined through a judicial review lens. In addition, the general audit discipline includes a standing professional requirement to assess the adequacy of an entity’s compliance with legal obligations. Thus, Government audit is useful for the effectiveness of audit practice for the minimizing irregularities for best outcomes for the auditees.</p> <p>h No. OAG working scope has fixed by constitutions. OAG has to be improve professionalism, efficiency, and effectiveness of his own human resources. Curative action for minimizing irregularities has to be done by auditees themselves. Auditor is outsider to give opinion with using their professionalism tool. Internationally best practices of audit has not imagination of curative actions. Auditor has only duty to give opinion on financial statement of the account responsible persons.</p>
6.	<p>Can we say that the audit policy has not done the right thing in public sector audit, risk analysis and audit plan? Is the auditor's reporting capacity and the absorption capacity of the new audit technology questionable to maintain accountability?</p> <p>Former Deputy Auditor General</p>	<p>a The overall audit plan supports the organization in fulfilling its mandate and reaching its objectives efficiently and effectively. The audit plan has been developed based on a risk assessment and further emphasize in the Ministry-level audit plan and the Entity-level audit plan, However the current policy of conducting financial and performance audit at simultaneously or in the same</p>

		<p>time should be relooked. Looking at the audit policy most of resources are being mobilized in financial audit which disproportionate to the mandate available to AG. OAG has developed NAMS an audit software and is being applied n field level. This software is new to the staff so they may resist in applying it. So extensive skill development activities should be organized to fill up the technological capacity gaps and generate confidence among staff is highly needed to enable them to apply IT audit tools or software to further enhance audit efficiency, better audit results and maintain accountability. In the absence of IT absorption capacity of staff it might be questionable to maintain accountability.</p> <p><b>b</b> Public sector auditing is conducted based on Standards and guidelines, which are based on the standards and guidelines developed by the International Organization of Supreme Audit Institutions INTOSAI. Only thing is that the capacity of auditors for full implementation of the developed procedure is not at par. Therefore, the risk analysis in audit and proper planning of audit to mitigate the identified risk is weak in the public sector.</p> <p><b>c</b> I do not think so.</p>
Charter Accountant		<p><b>a</b> It cannot be said that the audit policy has not done the right thing in public sector audit, risk analysis and audit plan. By saying this, it does not mean that there is no need of improvement in these areas. To some extent, there is issue of auditor competence; update knowledge on emerging issues including the new technological advancement.</p> <p><b>b</b> These are</p> <ol style="list-style-type: none"> <li>a. Yes! Observing the outcomes from audit, one can say audit policy requires attention for its review.</li> <li>b. For reviewing: <ol style="list-style-type: none"> <li>i. Audit process need to be reviewed.</li> <li>ii. Risk-parameter needs to be evaluated</li> <li>iii. Auditor’s attitude needs to be evaluated</li> <li>iv. Auditor’s moral needs to be extended</li> </ol> </li> </ol> <p><b>c</b> I do not think so.</p> <p><b>d</b> I do not think so.</p> <p><b>e</b> Policies should also be reviewed periodically and updated as appropriate, but it is not the policy itself, it is the willingness towards effective monitoring of execution of the policies that is questionable.</p> <p><b>f</b> Since OAGN has adopted INTOSAI - IFPP the polices are aligned with international best practices. It is the internalization and implementation of these best practices that appears questionable, if the expected outcome is not coming for OAGN.</p> <p><b>g</b> Government audit is an important link in that chain of accountability. It strengthens accountability, both upwards to the elected members who provide resources, and outwards to the consumers and beneficiaries, taxpayers and the wider community at large. Audit effectiveness is not easy to identify however revolve around the quality, competence, procedures</p>

		<p>and independence from the auditees. Government should provide an adequately equip staff with electronic data processing and maintains an environment within which internal auditors can have sufficient freedom to accomplish their task efficiently.</p> <p><b>n</b> Public audit has done right work, so that it explore weakness of financial governance. Public sectors audit risk analysis and planning has proper work as audit policy .Indiscipline in public sector has to increased financial irregularities but not by audit policy. There is room of correction are inefficiency / weakness of supervisor or crossing limit of audit scope, issuing one way audit reporting system which must be corrected.</p>
7.	<p>Comprehensive Audit, Risk Based Financial Audit, Performance Audit, IT Audit, Gender / Environment / Natural Disaster Audit, Participatory Audit &amp; Similarly, system based audit has also started now, but there is no satisfactorily have taken corrective action on those audits. The Public Accounts Committee has decided to take corrective action only, but there is no result based performance monitoring and evaluation by PAC or OAG. How effective is it in maintaining accountability?</p>	
	Former Deputy Auditor General	<p><b>a</b> Risk based audit, financial audit and specialized audit should be implemented after development of risk evaluation system, development of information system and enhancement of skill of the existing manpower of the OAG. Despite the comprehensive as well as specialized audit mandate to AG the performance of OAG that needs to be further improved through capacity building of staffs. In the present context, OAG has adequate staff with same educational qualification (BBS, BBA) but lack proper mix of staff in OAG with professionally qualified as well as technical staff. The PAC provide necessary instruction and advice when evaluating the public accounts and annual report of the AG and monitoring the activities of Government. The concerned Ministry is responsible for implementation of the instructions/recommendations given after discussion in the PAC. There is absence of legal provision for acceptance and implementation of the recommendations of the AG's audit report. There is also no established monitoring mechanism to ensure implementation of PAC and OAG recommendation. Similarly, the PAC is not efficient in carrying out its review activities due to lack of institutional capacity and required manpower. In the view of this, a procedural mechanism should be developed for ensuring implementation of OAG and PAC and must be timely monitored upholding effective accountability.</p> <p><b>b</b> Yes, different streams of audit have been initiated in the public sector auditing in Nepal especially by Office of the Auditor General of Nepal. These streams of audit may help to resolve the specific risk in the particular area of audit but the evaluation and follow up system yet to be developed however, these are effective tools for promoting accountability in the public sector.</p> <p><b>c</b> Some are effective, but not as much as they should be.</p>
	Charter Accountant	<p><b>a</b> There is no serious follow up of audit issues by the executives and even by the parliamentary oversight. OAGN has also no</p>

	<p>specific follow up policy. It basically depends on irregularity settlements (clearance) requests received from the auditees. PAC deliberates the audit issues included in Auditor General’s annual report and issues instructions, however there lacks systematic follow up for whether such instructions have been complied with.</p> <p><b>b</b> These are</p> <ol style="list-style-type: none"> <li>a. Special audits, based on impact on public, has to be strengthen, if not re-initiated from ground level</li> <li>b. Special audits, e.g., performance audit, environmental audit, SDG audit, to be maintain such a way that should be a reference material for other research.</li> <li>c. PAC discussion requires to attract sufficient public attention instead of closure of AG’s report.</li> <li>d. Either OAGN or PAC should not express of own report such a way, that may deemed as force push up of own activities.</li> </ol> <p><b>c</b> Not effective</p> <p><b>d</b> There has been some but not fully.</p> <p><b>e</b> What’s lacking is the accountability at each level. As mentioned above, a full focus will be required on brutal and unbiased review of implementation, either by PAC or by OAG or any other independent body.</p> <p><b>f</b> The SAIs over the world have been shifting focus from traditional financial audits, which are still being done as legal requirement, to other facets of the audits specifically on value added audits. That is the reason the extent of the financial audit is limited to risk based and focus is on the performance and value addition. However, OAGN due to both the aptitude and attitude is yet to come out from the traditional financial audit practices. The new aspects and facets of audits needs to be oriented to all the stakeholders including the audit units and mainly to the representatives of the people, the PAC.</p> <p><b>g</b> Public Financial Management reform is a gradual and long-term process that requires strong political will and commitment, which will contribute to reducing fiduciary risks and improve transparency and accountability. PACs often make recommendations to government ministries requiring that they change certain policies and procedures to improve their operations. System based audit is an approach to auditing based on the concept that by studying and assessing the internal control system of an organization an auditor can form an opinion of the quality of the accounting system, which will determine the level of substantive tests needed to be carried out on the items in the financial statements.</p> <p>OAGN proposes that 'the effectiveness of programs and policies, including their implementation, would be tested against clearly articulated program objectives, and wider consequences, within a systematic evaluation framework'. Understanding the objective of the program is essential to defining the purposes of performance evaluation, how it will be used and by whom. Understanding the objective is also essential to establishing the best measures of</p>
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		<p>success. Evaluation is a critical element in establishing accountability for program performance and ensuring ongoing achievement and improvement. This is best enabled via an evaluation framework. The Public Accounts Committee has decided to take corrective action and there is result based performance monitoring and evaluation by PAC or OAG, which needs improvements in maintaining accountability.</p> <p>h OAG, PACs joint effort or role has to make effective to new auditing modality. Every new audit to explore risk area, audit finding to follow up in next audit is mandatory, that need efficient, professional work force. In these day, has lack of labor to well knowledge in international and national audit standard in OAG, PAC. Traditional &amp; old knowledgeable work force has not professionally competition for the best result.</p>
<b>Source: Researcher tabulates interview and Email survey and collection fact.</b>		

**4.14 FACT SHEET:** All above fact, secondary data analysis, observation and key informant interview we are found the fact that is present here in briefs:

**TABLE 19 FACT SHEET**

S. No	Fact	Remarks
1	Annual Audit Report Of OAG	
	Status of current scenario	
	Irregularities over the time	Auditing objection from first report to 59 <sup>th</sup> increasing audit irregularities every year, but continuation similarity issues type of issues. Audit objection of irregularities 5-7% every year.
	Job descriptions	Job description of different post are specified however the vouching staff are not clear it has done by audit superintendent to director 3 layer of hierarchy. Audit policy specified minimum two layer audit review or supervision however that is missing in practices because audit direction are engage in field auditing.
	Quality assurance	Quality assurance is taken as formalities. In practice quality assurance of audit file yearly for limited number and take three year for every auditor audit file for quality assurance. Inter SAI and external review are not maintainable.
	Organization structure	Organization structure there is different audit department, 643 staff and hierarchal post however; those are not interconnect with job, make specialization, and non-decentralizations. Audit policy to audit different tire of government but structure is federal.
	Policy lack	Audit lack of Audit regulation, sampling standard, and changing paradigm of audit of transformative audit policy for conduct new way of audit.
	Timeliness	Audit policy (act) provision for timeliness of

			audit however, it takes 9-15 month in final audit reporting. Some extent auditing is so delayed that auditees has no time to response Preliminary Audit report and explore final report without auditees responses.
		Report	Audit Report has submitted yearly to parliament. Before 2063 B.S. report are given in 4 volume however these days summaries in volume which is not match with international context, transparency, accountability and credibility report as well as different sectorial and issue reporting pattern.
2.		Irregularity amount Settlement Evaluation and Monitoring Committee	Committee concentrates to fixing the target of follow audit to minimize the audit irregularities. Almost it fixing 40% target however not concentrate in repeating irregularities and sustainable financial discipline.
3.		Irregularity Settlement Committee	Committee are adhoc construct when old unsettle irregularities are high in chairmanship of member of PAC these committee only concentrate in issues wise settlement irregularities but not overall impact analysis of financial discipline and taking action against them.
4.		Office of Kumari chowk tatha Kendriya Tahashil Karalaya:	This committee has task to settle unsettled irregularities but still committee has irregularities amount from 1st audit report. It settlement in amount Nrs 15 coror but irregularities in Nrs 5 billion. It is also not successful to recover the recoverable amount.
5.		Public Account Committee	It has duty to discussion and give decision in auditor general audit report. It create answerability to official or responsible person for public resources. Committee has not timely decision, discussion in issues for settlement of temporarily audit issues but not reporting and direction to correction in overall financial undisciplined and non-repeating behavior of auditing.
6.	Observations	Record keeping, records management, and action	Irregularities doer has no recording system and it recorded in name of audit entity. There is no action against irregularity doer and not maintain record for repeating same audit objection with taking actions.
7.		Reporting pattern	Auditor general yearly report of audit findings to parliament. Auditor has not submitted special emergent report form establish of auditor general provision even though it has provision in audit policy. Audit report separate issues wise subject wise and sensitivity make low transparent and questionable remark in accountability toward

			people.
8.		Legal system, creation of accountability, and action	Different financial and audit act has system of accountability of account responsible officer and responsible person secretary and minister. There is provision for taking legal action of irregularities doer however legal action soft and rarely done which minimize accountability.
9.		The continuity of irregularities or objection of audit "Beruju":	Studying auditor general's 1st to 58 the report continuation issues shows financial has not decrease & not sustainable change in habit of accountability, answerability and taking action against irregularities doer.
10.		Implementation partner	Auditing sector auditor, account, audit entity, committee are working in audit objection to settle however audit objection or irregularities is raise volume and issues continuation and fraudulent and corruption practice are raise.
11.		Follow-up audit	Auditees' response to audit finding and settlement audit. Secretary regularize irregularities without taking action and guarantee of not repetition of irregularities. Audit objection settle up to 40 % however, similar audit objection has continued and cumulatively irregular raise but sustainable follow up and taking actions.
12.		Audit law	Audit laws there is some lack and to be added new policy according to new audit tools and technology. Transformative audit mostly complicated and low contextualize as national needs.
13.	KI I	Opinion of experts(Key Informant Interviews)	Current audit policy are doing proper work however there is need to added new tool and room of improvement. Implementation audit policy is working well but not appropriate execute and not taking legal action to irregularities doer. Audit partners, Audit institution, different committee and oversight agencies has also working and get progressing in financial discipline. After working them there is not sustainable financial discipline and establishing accountability for better financial governance.
<b>Source: - Above data and facts develop by researcher himself.</b>			

## **PART-II: QUESTIONNAIRE DATA COLLECTION AND STATICALLY ANALYSIS & INTERPRET**

Presentation of data systematically presented, inductive method to collect and tabulation of data where both qualitative and quantitative method are used to collected data. Grounded method also use to interpreted data. Interview, Questionnaire and discussion with concern responsible official, actor, and general people. Similarity,

regular and annoying problem are stated in qualitative form and change to quantitative form. Qualitative data form grounded model to framing the value. Data are collected and framing relating to research question to analysis the problem. Central tendency and dispersion are calculate to quantitative date and according to value or numerically output make to similiraty, scitificaly relaiable result get into conclude.

This section has objectivity to test and analysis relativeness of dependent variables and independent variables through established methodology by using primary data that has been collected through the questionnaires. One hundred thirty question in questionnaires has been collected from Auditor of OAG, accountant and official of government respectively 40,40, & 25 form on One hundred and five respondent. By using SPSS software enteing and tabulation all datas and analysis different variables for getting into the conclusion or decided the preset hypothesis. Here we anasis and presented data that has been relating to variables to get concluding idea of Effecriveness of Public sector audit policy for maintain financial discipline and accountbilty in Nepal. Deductive aprach has been use to get into conclude.

All the below data are collecteed from field (Field data- 2022 June) of 105 respondent of OAG (no-40) OCG (no-40) and other central office (no-25) by researh himself. Questionnaires where Srrogly agree, Agreee, Partially Agree, Disagree, Unknown are given mark 5, 4, 3, 2, 1 respectively. Data are collected from govenmnet officials as respondent and homogenous in nature. Data are tested in level of 5% significance, Valid frequency of questionnaires test, central tendecy and despersion corrolation and regression are tested. Result and analysis are belows;

#### **4.15 MAINTAIN FINANCIAL ACCOUNTABILITY AND DISCIPLINE (DEPENDENT VARIABLE)**

For maintaining financial discipline and accountability depended on contemporary financial policy & legal provision. Constitution, legal system and policies' neutrality, adequacy, action- inaction, repotting and PAC role which is prescribed on constitution, legal policies, and political system. Financial governance strengthens and growing outcomes from financial policies depends on different legal action taken by government officials and policies decider as well as auditor general role to promote discipline and accountability. This section made question and collected data form different respondent are as follows,

**TABLE 20 STATISTICALLY ANALYSIS OF THE DV- MFDA**

S. No.	Statistics										Simple t- test		Collinearity statistics		Pearson correlations
		N		Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)	Tolerance	VIF	
		Valid	Missing												
	<b>Constant</b>										Mean- 3.8684				
1.1	Constitutionally, Supreme audit institution of Nepal independent, neutral, efficiently manage organizations?	105	1	4.1810	4.0000	.74396	.553	2.00	5.00	-	4.305	.000	-	-	-
1.2	Contemporary legal system, law, regulations, directives, audit procedure are efficient and adequate to maintain the financial governance?	105	1	3.8952	4.0000	.71956	.518	2.00	5.00	-	.382	.703	-	-	-
1.3	Financial transaction and report has been operating efficient, reliable and sufficient through the contemporary financial policies /law to have been created accountability to responsible personnel.	105	1	3.8000	4.0000	.65633	.431	2.00	5.00	-	1.068	.288	-	-	-
1.4	Contemporary audit system and policy, audit law-regulations, directives, procedure & reporting pattern has address enthusiastically financial principle, so that it is efficient and adequate to maintain the financial governance.	105	1	3.7619	4.0000	.74063	.549	2.00	5.00	-	1.473	.144	-	-	-
1.5	Action & inaction in audit policy as well as monitoring & evaluation are important depend part for discipline through the auditing, as to Preliminary report and annual report to parliament is sufficient for financial accountability.	105	1	3.8000	4.0000	.78935	.623	2.00	5.00	-	-.888	.377	-	-	-

1.6	For financial accountability, auditor general office must issue the final audit report after the issuing preliminary audit report with addressing the response of client	105	1	3.9619	4.0000	.88713	.787	2.00	5.00	-	1.080	.283	-	-	-
1.7	The prevailing financial procedural law-regulations, directives meet international standard of reporting and governance.	105	1	3.8000	4.0000	.87046	.758	2.00	5.00	-	-.805	.423	-	-	-
1.8	Issue raising, subject matter explore in public on auditor report has sufficient for the accountability and financial discipline.	105	1	3.6381	4.0000	.92116	.849	1.00	5.00	-	-2.562	.012	-	-	-
1.9	Audit Reports are products of audit policies has represent & indicator mark of financial fairness on the financial discipline and accountability of public offices and officials.	105	1	3.9524	4.0000	.76436	.584	2.00	5.00	-	1.126	.263	-	-	-
1.10	Present audit objection or result has been correlated with audit policy has been delivered accountability in financial fairness.	105	1	3.8381	4.0000	.85624	.733	2.00	5.00	-	-.363	.718	-	-	-
1.11	Audit policy has maintained accountability and discipline. With the help of better intuitionism, PAC reactivity, effectiveness in role of audit partner, auditor's own policy paper and quality assurance mechanism, government's check and balance in finance	105	1	3.9238	4.0000	.81683	.667	2.00	5.00	-	.695	.489	-	-	-

<b>R<sup>2</sup></b>	<b>F-test</b>	<b>Durbin Watson value</b>	<b>decisions</b>
<b>1</b>	<b>-</b>	<b>.281</b>	<b>Dependent variables</b>

From above dependent variables 105 respondent answer in Rensis Likert scale questionnaires that has Statically analysis in SPSS; Here found that mean 3.8684, median 3.909, minimum 2.73, maximum 5, standard deviations 49424, variance 0.244 range that shows the statically most are with in significance level, standard deviation is positive & less than mean. So, data are not so variant but within the middle range. Correlation among the questionnaires 1.1-1.11 are within 1, 0.413, 0.213, 0.308, 0.054, 0.175, 0.195, 0.056, 0.107, 0.229 respectively that shows positive but small correlations among the questions. Here p value of t test is above the level of 5% or no significance, which shows the questions are relatives for maintain financial discipline

#### **VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON DV-MFDA**

DV-MFDA questionnaires respondent no one answer 'Unknown' which .09 % and disagree has within 5 %, but “For financial accountability, auditor general office must issue the final audit report after the issuing preliminary audit report with addressing the response of client” 7.5 % is disagree and 29.2% strongly agreed on this question. Majority respondents are in 'Agree' & then partially agree. More respondent accepts dependent variable. (Detail in Annex—9-1)

#### 4.16 EFFECTIVENESS OF PUBLIC SECTOR AUDIT POLICY (INDEPENDENT VARIABLE)

For maintaining financial discipline and accountability depended on EOPSAP where has collecting the data about effectiveness of prevailing audit policy and provision, clarity, sufficiency, enforceability, unambiguous. Likewise, respondent was asking on subject of relativity and practicability of international policy and practices contextualizing in national context, fairness, and compatibility of national audit policy as well as reliability of rule, financial statement, audit staff etc. This section made question and collected data form different respondent are as follows;

TABLE 21 STATISTICALLY ANALYSIS AND RELATIONSHIP BETWEEN IV-EOPSAP & DV-MFAD

S. No.	Statistics	Independent t- test									Collinearity statistics		Pearson Correlations		
		N		Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)		Tolerance	VIF
		Valid	Missing												
	<b>Constant</b>										<b>4.581</b>	<b>.000</b>			<b>1.000</b>
2.1	The current audit policy, laws, rules, procedures, and guidelines are adequate, consistent, absorbable, and reliable for effectiveness.	105	1	3.8762	4	.78072	.610	2	5	-.035	-.351	.726	.536	1.867	.358
2.2	The current audit policy laws, rules, procedures, and guidelines are simple, clear, understandable, efficiently enforceable, and unambiguous for implementation and acquiring result.	105	1	3.7143	4	.79317	.629	2	5	.310	2.516	.014	.341	2.937	.568
2.3	The current audit policy laws, rules, procedures, and guidelines has guarantee to taking action on irregularities for financial discipline.	105	1	3.6381	4	.83348	.695	2	5	.014	.138	.891	.491	2.037	.399
2.4	The current audit policy laws, rules, procedures, and guidelines likewise other financial law are proper, appropriate and effective management of audit supervision and reviewing.	105	1	3.6667	4	.79259	.628	2	5	.158	1.558	.123	.506	1.977	.516

2.5	Has the current audit policy laws, rules, procedures, and guidelines efficiently proper management of public official to creating their accountability to maintain financial discipline.	105	1	3.6000	4	.80384	.646	1	5	.027	.259	.796	.493	2.029	.438
2.6	The current audit policy laws, rules, procedures, and guidelines has efficiently enforce to correct financial error of audit finding through taking legal action and maintain record for regulator for financial unfairness?	105	1	3.5810	4	.85238	.727	1	5	.228	2.239	.028	.501	1.995	.463
2.7	The current audit policy laws, rules, procedures, and guidelines are efficiently monitoring and supervision of execution of audit report.	105	1	3.5524	3	.79640	.634	2	5	.038	.367	.715	.492	2.033	.464
2.8	The transformative audit policies from international organization- INTOSAI, ASOSAI, IFAC etc. are implementable, contextual and relative to national financial condition according to irregularities level, situation of institutional check & balance.	105	1	3.6476	4	.82019	.673	1	5	-.011	-.115	.909	.602	1.660	.210
2.9	Yearly assessment of audit quality assurance system and three-year cyclically reviewing the every auditor's audit files has been reliable for quality enhance and increasing efficiency of public audit?	105	1	3.6000	4	.72854	.531	2	5	-.134	- 1.434	.155	.593	1.688	.175
2.10	The Auditor General's Audit quality assurance system is sufficient to advise, maintain or improve, implement quality control and effective audit tools and technology.	105	1	3.6476	4	.84331	.711	2	5	.150	1.621	.109	.608	1.643	.431
2.11	There is adequate, reliable and complete system base of supervision and monitoring for implementation of audit policy & getting result.	105	1	3.4762	3	.80974	.656	2	5	-.059	-.605	.547	.537	1.861	.252
2.12	It would be sufficient to establish financial discipline by auditing through checklist and desk audit (Reporting on basis of internal audit and other financial statement).	105	1	3.5048	4	.85624	.733	1	5	.076	.746	.458	.493	2.028	.382
2.13	Regularly has increasing and repeating similar financial irregularities, which are partially resolved through follow-up audits. There have some barriers to maintaining financial discipline in contemporary audit policy.	105	1	3.8000	4	.81335	.662	2	5	.065	.783	.436	.746	1.341	.156
2.14	The current audit policy cycle has efficiently managed to maintain financial discipline and create accountability.	105	1	3.7524	4	.79398	.630	2	5	.049	.483	.631	.508	1.970	.437

2.15	Generally to qualitative control & maintaining discipline in auditing system has provision for reviewing the audit file at least in two levels internationally. Audit manager has conducted a field audit these past years that has shadowed and weaken review	105	1	3.6381	4	.76112	.579	2	5	.151	1.737	.086	.687	1.455	.360
2.16	Now different level staff have executed auditing. Audit standard has not fixed the scope, demarcation of amount-time-scope-complexity of transection to lead by different level auditing staff. Can we say...?														
2.16.1	There is some audit policies are led by unfair justice & unstable.	105	1	3.1619	3	1.12766	1.272	1	5	-.240	-2.118	.037	.403	2.482	-.049
2.16.2	These make negative impact in discipline maintain, uniformity, creating accountability & financial governance.	105	1	3.3524	3	.96058	.923	1	5	.081	.828	.410	.539	1.855	.156
2.17	Financial procedural and accountability act 2074 and act prevailing above those periods has provision of eliminating all irregularities or audit objection within the three years, however irregularities or objection raised by the auditor general reports 2020 B.S. of fiscal year 2018/2019 still have to be settled. It is to be an amount of Nrs five billion, so we have to say policy executions is not satisfactory,	105	1	3.6476	4	.96058	.923	1	5	.169	1.768	.081	.566	1.768	.036

<b>R<sup>2</sup></b>	<b>F-test</b>	<b>Durbin Watson value</b>	<b>decisions</b>
<b>.555</b>	<b>5.948</b>	<b>1.806</b>	To test hypothesis H1; F, P-value < 0.05 which is indicate <b>EOIAP(IV)</b> has played significance role in maintaining financial discipline and accountability in Nepal.

Respondent 105 answer in Resins Likert scale questionnaires that has statically analysis in SPSS and relationship between IV-EOPSAP & DV-MFAD; Here found that mean 3.6032, median 3.5556, minimum 2.67, maximum 4.89 standard deviations 0.44031, variance 0.194 range that shows the statically most are with in significance level. Here p value of independent t-test of questionnaires no, 2.2-p 0.014, 2.6-p 0.028, 2.16.1-p 0.037 is less than 0.05 ( $P \leq 0.05$ ), So the alternative hypothesis accepted and significant has to be reconsider or made to improve. Rest of other questionnaires t value is higher than 0.05( $P > 0.05$ ) so null hypothesis accepted and non-significance level that has low effects on the dependent variables bur relate to IV. Correlation value within -1 to +1 here value with in 1 and most are positively correlated. R<sup>2</sup> is determining the variability value of DV linear relationship with IV that is closer relationship. Collinearity statistics shows the one repressor correlated with other repressor or liner regression between repressor shows above. Durbin Watson value explain the correlations between the successive of data, which within 1.5-2.5 to positive correlations that shows above table.

VALIDITY FREQUENCY OF QUESTIONNAIRE ‘RESNSIS LIKERT SCALE’ ON DV-EOPSAP

Validity relationship IV-EOPSAP & DV-MFAD is missing system is 1 within 0.9 % where Unknown 1-6.7 %, Disagree 1.9-23.5%, Partially Agree 26.7-41.9%, Agree 40-48.6%, & Strongly Agree 10-22.9%. The statement answer disagrees and unknown more is ‘There is some audit policies are led by unfair justice and unstable.’ In addition, strongly agree is ‘The current audit policy, laws, rules, procedures, and guidelines are adequate, consistent, absorbable, and reliable for effectiveness.’ Majority respondents are in 'Agree' & then partially agree. Respondent on relationship within the middle range are most. (Detail in Annex-9-2)

**4.17 EFFECTIVENESS OF IMPLEMENTATION AUDIT POLICY (INDEPENDENT VARIABLE)**

For maintaining financial discipline and accountability depended on EOIAP where has collecting the data about effectiveness of prevailing audit policy executions status. Here was questioning to respondent about effectiveness making and execution of audit risk assessment, planning, execution appropriateness of audit rule-regulation-guidelines-directives, obedience and loyalty toward policy cycle, adaptability of new audit tool and practices and effectiveness of follow up audit etc. This section made question and collected data form different respondent are as follows;

**TABLE 22 STATISTICALLY ANALYSIS AND RELATIONSHIP BETWEEN IV-EOIAP & DV-MFAD**

	Statistics										Independent t- test		Collinearity statistics		Pearson Correlations
		N		Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)	Tolerance	VIF	
		Valid	Missing												
	<b>Constant</b>										<b>2.899</b>	<b>.005</b>			<b>1.000</b>
3.1	The current audit policy laws, rules, procedures, and guidelines are effective for fixing, determining, refining, selecting, and execution of audit risk	105	1	3.8857	4.0000	.73791	.545	2.00	5.00	.053	.380	.705	.313	3.199	.234
3.2	Different level of inherent, control and residual risk that has implemented in audit plan. Public expectation and issue should be considering by auditor. These situations, audits has to maintaining risk register ledger and assessments system. Can we say...?														
3.2.1	There is appropriate system of risk finding, risk register and risk evaluation.	105	1	3.6571	4.0000	.71829	.516	2.00	5.00	-.074	-.623	.536	.423	2.367	.160
3.2.2	Assume that current system of risk assessments is advocacy of public concern and diverting to public accountability.	105	1	3.5619	4.0000	.74581	.556	1.00	5.00	-.051	-.403	.688	.372	2.691	.276

3.2.3	Audit risk assessing system has determined auditing model for different tier/ level of government and institution. It is proper audit policy to directed and reliable for maintaining accountability.	105	1	3.5619	4.0000	.85399	.729	1.00	5.00	.037	.307	.760	.417	2.398	.332
3.3	Current system of risk assessment is to planning has been successful for maintaining financial discipline and accountability?	105	1	3.5048	3.0000	.79812	.637	2.00	5.00	-.003	-.021	.983	.293	3.409	.414
3.4	Part of audit policy cycle, it run smoothly with professional due care, neutrality, objectivity, impartiality implementation of audit policy.	105	1	3.5333	4.0000	.80940	.655	1.00	5.00	.276	2.324	.023	.425	2.352	.485
3.5	Current audit process (from audit risk assessments, planning, execution of planning, fact finding) are deliver the proper outcomes that expected by financial soundness.	105	1	3.6095	4.0000	.84915	.721	2.00	5.00	.219	1.852	.068	.429	2.330	.389
3.6	Institutional strengthens, personnel capacity & system base activities have importance for reliable outcomes or product. Audit staff and institution mechanism has to deliver the audit finding to maintain financial discipline. Can we say...?														
3.6.1	Auditing staff <b>has</b> qualified, vocational skill, IT knowledge and relative education to their field sufficient.	105	1	3.6952	4.0000	.77365	.599	2.00	5.00	.384	2.764	.007	.311	3.219	.363
3.6.2	Has fair, relative and adequate training system for auditing to auditor.	105	1	3.4095	3.0000	.87371	.763	1.00	5.00	.119	.777	.440	.256	3.902	.351
3.6.3	Efficiency and capabilities of institutional system is to explore all type of irregularities and fraud to maintain discipline.	105	1	3.5714	4.0000	.85324	.728	1.00	5.00	-.244	-	.085	.306	3.273	.255
3.6.4	Efficiently contextualizing international transformative audit system & policy nationally.	105	1	3.5905	4.0000	.80498	.648	1.00	5.00	.110	.765	.447	.292	3.422	.384
3.6.5	Auditor and audit entity has properly absorption capacity of transformative audit policy.	105	1	3.6095	4.0000	.84915	.721	1.00	5.00	-.018	-.142	.888	.355	2.819	.322
3.6.6	Human resource management system, infrastructures, budgets, reporting skill are sufficient for audit policy's effectiveness.	105	1	3.4571	3.0000	.86634	.751	1.00	5.00	-.196	-	.119	.387	2.583	.230
3.6.7	Audit staffs has proper, performable knowledge about audit policy, procedure, outcomes as well as audit policy cycle.	105	1	3.6286	4.0000	.83502	.697	1.00	5.00	-.185	-	.185	.314	3.180	.249
											1.338				

3.7	Yearly has been repeating & increasing similar audit objections irregularities volume, which indicate the poor financial discipline, non-accountability, inefficient financial control, inefficient policy execution & not maintain governance.	105	1	3.7810	4.0000	.84331	.711	2.00	5.00	.053	.411	.682	.360	2.776	.066
3.8	Institutional memory has important for further corrective action and improvement of efficiency, that is historical background for new way and direction. Record of irregularities of offices known as 'Lagat Kitab'.Government and auditing office both have no record of person who repeated same irregularities many times and record of action. There has not record of 'account responsible person' and 'responsible person', who has regularizes the irregularities without taking action against those involve in irregularities according to act. Can we say...?														
3.8.1	Institutional memories of personnel & people, who has involve in financial irregularities make positive effects to accountability and discipline.	105	1	3.9143	4.0000	.74826	.560	2.00	5.00	-.193	-1.603	.114	.413	2.421	.016
3.8.2	Current audit policy has responsible for not maintaining institution record and enforce financial accountability.	105	1	3.5810	3.0000	.76938	.592	2.00	5.00	.169	1.313	.194	.359	2.782	.286
3.8.3	Government has irresponsible to executing audit result, which influence financial accountability.	105	1	3.6381	4.0000	.84494	.714	2.00	5.00	-.169	-1.355	.180	.385	2.598	.113
3.8.4	Poor institutional system has backing for this.	105	1	3.8286	4.0000	.75265	.566	2.00	5.00	.250	2.245	.028	.482	2.074	.345
3.8.5	Political system and leder has not serious for irregularities raise by audit	105	1	3.9048	4.0000	.92533	.856	2.00	5.00	.065	.510	.611	.368	2.715	.077
3.9	The audit issue or result are settlement through the follow up audit that has provision in audit policy. Every year huge amount of irregularities are increased and every year repeated the same issue settled through follow up audit. Can we say...?														
3.9.1	The current follows up audit policy does not guarantee that the same case will not be repeated in order to maintain financial discipline.	105	1	3.9333	4.0000	.78773	.621	2.00	5.00	-.131	-.957	.342	.320	3.124	.130
3.9.2	Present follow up audit system could only for minimizing volume of irregularities but not sustainable solution of financial irregularities for financial governance.	105	1	3.8286	4.0000	.91417	.836	2.00	5.00	.097	.679	.500	.293	3.410	.091
3.9.3	Follow up audit done without taking action to whom involve in irregularities is main cause of indiscipline and non-accountable financial administration.	105	1	3.8571	4.0000	.85966	.739	2.00	5.00	.142	1.100	.275	.360	2.777	.268
3.10	For maintaining financial discipline and accountability in auditing sector has some gaps and need of guideline, procedure, law, standard (e.g. - sampling standard, audit regulation, IT manual etc.).	105	1	3.8286	4.0000	.76532	.586	2.00	5.00	-.212	-1.569	.121	.328	3.047	.203

3.11	Financial procedure law, act, regulation, directives are simple, clear and achievable to better result in auditing?	105	1	3.8190	4.0000	.75678	.573	2.00	5.00	.060	.462	.646	.358	2.791	.265
3.12	All prevailing audit policy (law, rule, guideline, directive, etc.) has to be revisit for better performance, product, & result.	105	1	3.8667	4.0000	.76040	.578	2.00	5.00	.090	.782	.437	.456	2.193	.083
3.13	It has time to declare audit policy about fraud, corruption, public concern matter, and demand by people representative audit.	105	1	3.8952	4.0000	.81952	.672	2.00	5.00	-.032	-.301	.764	.534	1.872	.117
3.14	Presentation of financial statement, internal audit report, internal control, guideline for project /program of public sector, are clear to execute audit policy and bearing accountability.	105	1	3.8095	4.0000	.76076	.579	2.00	5.00	.004	.028	.978	.321	3.115	.416
3.15	Office of the Auditor General play effective role for effectiveness of audit policy.	105	1	3.8952	4.0000	.80770	.652	1.00	5.00	.193	1.676	.098	.452	2.212	.313
3.16	Even though some gaps, Audit policy are relatively sufficient for federal economic system and contemporary financial situation like corruption manipulation, fraud, irregularities etc.	105	1	3.4667	3.0000	.70801	.501	2.00	5.00	.122	1.090	.280	.481	2.081	.327
3.17	For effectiveness of product of audit policy timely revise, proper execution of results, monitoring and evaluation are rest on auditor general and government.	105	1	3.8000	4.0000	.76460	.585	2.00	5.00	-.078	-.685	.496	.462	2.162	.355
3.18	The Public Accounts Committee has not been able to address the issues, objections and irregularities raised in the report of the Auditor General when it has not formed, discuss, or decision. In such a situation, there is a lack of audit law and policy in	105	1	3.7238	4.0000	.77825	.606	2.00	5.00	.099	.793	.431	.385	2.601	.259
3.19	Audit procedure are easy to follow by client or auditor in auditing, follow up audit, accountability & answerability financial discipline management.	105	1	3.6667	4.0000	.75532	.571	2.00	5.00	-.088	-.642	.523	.320	3.128	.343
3.20	Issue, language, size, time of auditing are very realistic and result oriented.	105	1	3.5048	3.0000	.84494	.714	2.00	5.00	.146	1.044	.300	.305	3.284	.420
3.21	Audit staff are sufficient for federal economic system and contemporary financial situation.	105	1	3.5714	4.0000	.95934	.920	1.00	6.00	.200	1.655	.103	.410	2.440	.346
3.22	Output of audit policy has ultimate goal /outcomes of financial governance.	105	1	3.6762	4.0000	.83775	.702	1.00	5.00	-.052	-.511	.611	.583	1.716	.299

<b>R2</b>	<b>F-test</b>	<b>Durbin Watson value</b>	<b>decisions</b>
<b>.592</b>	<b>2.746</b>	<b>2.043</b>	To test hypothesis H1; F, P-value < 0.05 which is indicate <b>EOIAP(IV)</b> has played significance role in maintaining financial discipline

			and accountability in Nepal.
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Respondent 105 answer in Rensis Likert scale questionnaires that has Statically analysis in SPSS and relationship between IV-EOPSAP & DV-MFAD; Here found that mean 3.6963, median 3.6667, minimum 2.75, maximum 4.95, standard deviations 0.39649, variance .157, range that shows the statically most are with in significance level. Here p value of independent t-test of questionnaires no. 3.4- p 0.023, 3.6.1- p 0.007, 3.8.4- p 0.028 is less than 0.05 ( $P \leq 0.05$ ), so the alternative hypothesis accepted and significant has to be reconsider or made to improve. Rest of other questionnaires t value is higher than 0.05 ( $P > 0.05$ ) so null hypothesis accepted and non-significance level that has low effects on the dependent variables & related to IV. Correlation value within -1 to +1 here value with in 1 and most are positively correlated. R2 is determining the variability value of DV linear relationship with IV that is closer relationship. Collinearity statistics shows the one repressor correlated with other repressor or liner regression between repressor shows above. Durbin Watson value explain the correlations between the successive of data, which within 1.5-2.5 to positive correlations that shows above table.

**VALIDITY FREQUENCY OF QUESTIONNAIRE ‘RENSIS LIKERT SCALE’ ON IV-EOIAP**

Validity relationship IV-EOIAP & DV-MFAD is missing system is 1 within 0.9 % where Unknown 1-1.9 %, Disagree 1.9-10.5%, Partially Agree 21-48.6%, Agree 35.2-55.2%, & Strongly Agree 6.7-29%. The statement answer disagrees and unknown more is ‘Issue, language, size, time of auditing are very realistic and result oriented’ & ‘Audit staffs has proper, performable knowledge about audit policy, procedure, outcomes as well as audit policy cycle’ respectively and strongly agree is ‘Political system and leder has not serious for irregularities raise by audit’. Majority respondents are in 'Agree' & then partially agree. Respondent on relationship within the middle range are most.(Detail in Annex-9-3)

**4.18 EFFECTIVENESS OF EXECUTION THE ANNUAL AUDIT REPORT**

For maintaining financial discipline and accountability depended on EOEAAAR where has collecting the data about effectiveness of execution audit objections, fact and finding. Annual report of auditor general has repeated the same issues, accountability of 'Account Responsible officer' and 'Responsible persons', address the policies and doctrinal issue of annual report by state, corrective action on financial issues-IT audit, Environment/ gender/ performance audit etc., properness of execution annual report etc. sectorial issues is questioning to respondent. This section made question and collected data form different respondent are as follows ;

**TABLE 23**STATICALLY ANALYSIS AND RELATIONSHIP BETWEEN IV-EOEAAR & DV-MFAD

S. No.	Statistics										Independent t- test		Collinearity statistics		Pearson Correlations
		N		Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)	Tolerance	VIF	
		Valid	Missing												
	<b>Constant</b>										<b>6.015</b>	<b>.000</b>			<b>1.000</b>
4.1	The State has not effectively addressing the doctrinal and policy issues raised by the Auditor General through its annual report.	105	1	3.9333	4.0000	.71072	.505	2.00	5.00	-.100	-.949	.345	.635	1.575	.174
4.2	Responsible person and concern official has not settle & clearance objection amount with in the 35 days of issues raised by the Auditor General through its preliminary audit report.	105	1	3.6381	4.0000	.79812	.637	2.00	5.00	.059	.456	.650	.418	2.390	.273
4.3	Secretary of Nepal government (account responsible officer) has regularized the irregularities amount and write to office of auditor general for settlement of amount raise in audit report. Auditor has legal obligation to obey as write. Can we say...?														
4.3.1	It has not improved and corrective action in financial discipline.	105	1	3.6286	4.0000	.91207	.832	2.00	5.00	.001	.009	.993	.440	2.274	.150
4.3.2	Check & balance of control system is affected when the regularizing irregularities amount by the spending authorities	105	1	3.6190	4.0000	.72564	.527	2.00	5.00	-.116	-.983	.328	.504	1.985	.222
4.3.3	Ignoring the audit report or not taking seriously to raising issues of the auditor general by management has influencing the financial discipline and accountability.	105	1	3.7333	4.0000	.91217	.832	2.00	5.00	.090	.701	.485	.432	2.315	.331
4.3.4	Follow up audit or review audit policy has not clear legal, procedural, and institutional provision that creating an accountability to concern party to liable for making irregularities. Irregularities has not adequate & timely settling with legal action.	105	1	3.6571	4.0000	.73155	.535	2.00	5.00	.149	1.156	.251	.428	2.338	.333
4.4	The financial discipline and accountability process has not been strengthened by the improvement and solution work of the financial irregularities, which is being done without taking action, neutrality and fair check and balance.	105	1	3.6762	4.0000	.70021	.490	2.00	5.00	-.042	-.312	.756	.389	2.573	.262

4.5	Audit objections/finding/ results explore in annual audit report are clear to report executor or auditees/ client.	105	1	3.7143	4.0000	.74310	.552	2.00	5.00	.044	.316	.753	.360	2.776	.427
4.6	Audit report of auditor general are simple, clear, timeliness and achievable.	105	1	3.7238	4.0000	.86040	.740	1.00	5.00	.176	1.396	.166	.443	2.258	.368
4.7	No account of corrective measure has been taken by government by studying the auditor general performance, gender, environment, disaster management and IT audit report, which one of the best corrective measures for improving financial governance has in shadows.	105	1	3.7429	4.0000	.69377	.481	2.00	5.00	.278	2.214	.029	.448	2.233	.476
4.8	Auditor general has still to settling the two-decade old irregularities amount of audit findings, that has been left amount after transferring irregularities settlement amount to government agency (kendriya tahashil karayalya ). It shows audit report has	105	1	3.7714	4.0000	.71059	.505	1.00	5.00	-.227	- 2.175	.032	.650	1.538	.113
4.9	Main and last agency through which taking corrective action against objections raised in the auditor general report is 'Public Accounts committee'. Discussion to settling irregularities amount & issues has still pending for many years, or not regular & smoothly discussion has held. So that accountability to public financial governance has been affecting.	105	1	3.8286	4.0000	.65717	.432	2.00	5.00	.248	2.200	.030	.558	1.791	.344
4.10	To make readable auditor general has issued only one volume of the report. Sectorial and issue wise different report is not issue for further- more detail data to people, reader, researcher. Financial sector transparency and accountability has been minimized.	105	1	3.7238	4.0000	.71381	.510	2.00	5.00	-.048	-.424	.673	.540	1.851	.208
4.11	Auditor General annual report is repeating common/same issues every year, that situation shows the audit policy has difficulties to maintain accountability.	105	1	3.8286	4.0000	.71330	.509	2.00	5.00	.067	.546	.586	.468	2.135	.233
4.12	Contemporary audit policy has deficiencies to maintain a sound relation and accountability toward the public & financial governance, which need to be improved.	105	1	3.8571	4.0000	.73939	.547	1.00	5.00	-.129	- 1.276	.205	.687	1.455	.094

4.13	'Account responsible officer' & 'Responsible person' who has the responsibility to regularize the irregularities or result of audit report has done regularize & settling irregularities without taking action, not maintaining record of irregular doer. It shows not execution of audit policy in proper manner has not maintain discipline and financial governance.	105	1	3.7238	4.0000	.80258	.644	2.00	5.00	.205	1.699	.093	.483	2.071	.328
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R <sup>2</sup>	F-test	Durbin Watson value	decisions
.378	3.344	2.042	To test hypothesis H1; F, P-value < 0.05 which is indicate <b>EOEAAR(IV)</b> has played significance role in maintaining financial discipline and accountability in Nepal.

Respondent 105 answer in Rensis Likert scale questionnaires that has Statically analysis in SPSS and relationship between IV-EORAAR & DV-MFAD; Here found that mean 3.7375, median 3.6875, minimum 2.75, maximum 5, standard deviations 0.47269, variance 0.223, range that shows the statically most are with in significance level. Here p value of independent t-test of questionnaires no. 4.7- p 0.029, 4.2- p 0.032, 4.9- p 0.030 is less than 0.05 ( $P \leq 0.05$ ) so the alternative hypothesis accepted and not significant has to be reconsider or made to improve. Rest of other questionnaires t value is higher than 0.05 ( $P > 0.05$ ) so null hypothesis accepted and in significance level that has effects on the dependent variables. Correlation value within -1 to +1 here value with in 1 and most are positively correlated. R2 is determining the variability value of DV linear relationship with IV that is closer relationship. Collinearity statistics shows the one repressor correlated with other repressor or liner regression between repressor shows above. Durbin Watson value explain the correlations between the successive of data that within 1.5-2.5 to positive correlations that shows above table.

#### VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON IV-EORAAR

Validity relationship IV-EOEAAR & DV-MFAD is missing system is 1 within 0.9 % where Unknown 0.9-0.9 %, Disagree 2.9-12.4%, Partially Agree 17.1-41%, Agree 36.2-61%, & Strongly Agree 11.4-22.9%. The statement answers unknown and disagrees more is 'Audit report of auditor general are simple, clear, timeliness and achievable & Contemporary audit policy has deficiencies to maintain a sound relation and accountability toward the public & financial governance, which need to be improved.' & 'It has not improved and corrective action in financial discipline' respectively and strongly agree is 'Ignoring the audit report or not taking seriously to raising issues of the auditor general by management has influencing the financial discipline and accountability'. Majority respondents are in 'Agree' & then partially agree. Respondent on relationship within the middle range are most.(Detail in Annex-9-4)

#### 4.19 EFFECTIVENESS OF PUBLIC SECTOR INSTITUTIONAL ARRANGEMENT FOR ADDRESSING AUDIT OBJECTION AND FINDING

For maintaining financial discipline and accountability depended on EOPSIA where has collecting the data about effectiveness of institutional arrangements, recording system and documentations. Respondent's response was accumulated on public action & reward system, recording system of action to personnel on audit objections, efficiency and effectiveness of operationalizing public institutions of elimination irregularities etc. This section made question and collected data form different respondent are as follows;

**TABLE 24** STATISTICALLY ANALYSIS AND RELATIONSHIP BETWEEN IV-EOPSIA & DV-MFAD

S. No.	Statistics										Independent t-test		Collinearity statistics		Pearson Correlations
		N		Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)	Tolerance	VIF	
		Valid	Missing												
	<b>Constant</b>										<b>4.140</b>	<b>.000</b>			<b>1.000</b>
5.1	The provision of irregularities settlement, action and reward, , record keeping, permanently reform & correction of result of audit etc., in Financial Procedures and Fiscal Accountability Act, 2076 and Financial Procedures rules 2064 Legally and procedures rules 2064.														
5.1.1	Legally and procedurally, it is sufficient for operationalization	105	1	3.9238	4.0000	.59960	.360	3.00	5.00	.272	2.354	.021	.536	1.865	.414
5.1.2	It is Reliable or sufficient to maintain discipline, accountability & taking action	105	1	3.8000	4.0000	.75192	.565	2.00	5.00	.080	.637	.525	.455	2.196	.281
5.1.3	No personal data of irregularities doer, repeater, who is subject to the action.	105	1	3.7810	4.0000	.74654	.557	2.00	5.00	-.167	-1.581	.117	.641	1.560	.158
5.1.4	Current follow up system or process has proper for irregularities settle, but minimum level of financial reform and discipline.	105	1	3.7048	4.0000	.74581	.556	2.00	5.00	.102	.996	.322	.681	1.467	.299
5.1.5	Irregularities settlement committee has settle the irregularities that has not settle through regular process. It work only for settle minimize volume of irregularities, but it is fail accountability develop.	105	1	3.7810	4.0000	.72032	.519	2.00	5.00	.019	.168	.867	.587	1.704	.240
5.2.	Irregularity Settlement Evaluation and Monitoring Committee has provided yearly target percentage to settlement of audit irregularities. Audit issues in amount are settle in targeted percentage then it left all theoretical, policies wise issues. Can we say.....?														

5.2.1	Responsible entity for sustainable accountability and discipline has only concentrate in short term solution of problem.	105	1	3.9714	4.0000	.68581	.470	2.00	5.00	-.079	-.719	.474	.590	1.695	.123
5.2.2	There is no financial correction for healthy economic.	105	1	3.6762	4.0000	.88247	.779	2.00	5.00	.096	.828	.410	.532	1.879	.224
5.2.3	For sustainable financial discipline and accountable system has to take disciplinary action on unlawful activities and irregular doer, however it has not done properly.	105	1	3.7429	4.0000	.72096	.520	2.00	5.00	.093	.758	.450	.478	2.090	.326
5.2.4	Monitoring and evaluation provision by financial act and regulation or relative act has not done by government official and concern person on financial discipline are the cause of raising irregularities, also monitoring and evaluation not tie up with follow up audit too.	105	1	3.7524	4.0000	.78178	.611	2.00	5.00	.044	.339	.735	.426	2.346	.288
5.3	Provision to discuss and reporting by Public Account Committee on auditor general report before submitting budget in parliament, however, the budget has not proper addressing the issues raised by audit annual report.	105	1	3.7714	4.0000	.75009	.563	2.00	5.00	.023	.197	.844	.524	1.908	.265
5.4	For provision to build special institutional task force's has not on policy for further rapid investigation, action, & improvement in auditor general annual report toward financial governance, that is responsible for backlogged irregularities from more than half century.	105	1	3.6667	4.0000	.76795	.590	2.00	5.00	.037	.315	.753	.520	1.924	.243
5.5	Discriminatory power of auditor has spoilt the best practice of audit policy to delivering financial discipline.	105	1	3.6857	4.0000	.78831	.621	2.00	5.00	-.161	-1.428	.157	.563	1.775	.137
5.6	Auditor and auditing agency may manipulate, correct, change output or results and illogical own interpretation on auditing and public account committee's direction may affects in effective execution of audit policy for financial discipline.	105	1	3.6286	4.0000	.84645	.716	2.00	5.00	.077	.645	.520	.509	1.966	.319
5.7	Audit policy-executing process would not be ignored social value and government objectives for public answerability.	105	1	3.8000	4.0000	.69890	.488	2.00	5.00	.282	2.553	.012	.587	1.704	.399

5.8	Political change and ideological value norms effect the outputs of audit policy's effectiveness.	105	1	3.6857	4.0000	.75082	.564	2.00	5.00	.104	.886	.378	.518	1.932	.307
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R <sup>2</sup>	F-test	Durbin Watson value	decisions
.361	3.348	2.170	To test hypothesis H1; F, P-value < 0.05 which is indicate <b>EOPSIA(IV)</b> has played significance role in maintaining financial discipline and accountability in Nepal.

Respondent 105 answer in Rensis Likert scale questionnaires that has Statically analysis in SPSS and relationship between IV-EOPSAI & DV-MFAD; Here found that mean 3.7581, median 3.6667, minimum 2.67, maximum 5, standard deviations 0.45085, variance 0.203, range that shows the statically most are with in significance level. Here p value of independent t-test of questionnaires no. 5.1.1- p 0.021, 5.7- p 0.012 is less than 0.05 ( $P \leq 0.05$ ) so the alternative hypothesis accepted and significant has to be reconsider or made to improve. Rest of other questionnaires t value is higher than 0.05 ( $P > 0.05$ ) so null hypothesis accepted and non-significance level that has low effects on the dependent variables & related to IV. Correlation value within -1 to +1 here value with in 1 and most are positively correlated. R2 is determining the variability value of DV linear relationship with IV that is closer relationship. Collinearity statistics shows the one repressor correlated with other repressor or liner regression between repressor shows above. Durbin Watson value explain the correlations between the successive of data, which within 1.5-2.5 to positive correlations that shows above table.

VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON IV-EOPSAI

Validity relationship IV-EOPSIA & DV-MFAD is missing system is 1 within 0.9 % where Unknown 0 %, Disagree 1.9-9.5%, Partially Agree 19-40%, Agree 63%, &Strongly Agree 11.2-20%. The statement answers disagree more is 'Auditor and auditing agency may manipulate, correct, change output or results and illogical own interpretation on auditing and Public account committee's direction may effects in effective execution of audit policy for financial discipline' and strongly agree is 'Responsible entity for sustainable accountability and discipline has only concentrate in short term solution of problem' & Majority respondents are in 'Agree' then 'Partially agree'. Respondent on relationship within the middle range are most.(Detail in Annex-9-5)

**4.20 ROLE OF PUBLIC SECTOR AUDIT PARTNERS (AUDITEES (OCG), IRREGULARITY SETTLEMENT & EVALUATION AND MONITORING COMMITTEE, IRREGULARITY AMOUNT SETTLEMENEVALUATION AND MONITORING COMMITTEE & AD-HOC COMMITTEE) (MEDIATING VARIABLE)**

For maintaining financial discipline and accountability depended on ROPSAP where has collecting the data about effectiveness of role of auditor partners for promoting financial governance. Here Comptroller general staff reporting system, help for final audit and effectiveness of internal auditing, PAC, different irregularities settlement and monitoring committee' s effectiveness for making financial governance to done sustainable reform in financial irregularities different questions was asked to them. This section made question and collected data form different respondent are as follows;

TABLE 25 STATISTICALLY ANALYSIS AND RELATIONSHIP BETWEEN MV-EOPSAP & DV-MFAD

S. No.	Statistics										Independent t- test		Collinearity statistics		Pearson Correlation
		N		Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)	Tolerance	VIF	
		Valid	Missing												
	<b>Constant</b>										<b>3.237</b>	<b>.002</b>			
6.1	Account service's official and staff has working for budget release and expenditure, maintaining account, preparing of financial statement, reporting & internal auditing who are under the Office of comptroller general. Those bodies, employees and office bearers has....?														
6.1.1	Adherence to implementation audit policy & report plays an important role for best results.	105	1	3.9714	4.0000	.62722	.393	2.00	5.00	-.003	-.027	.979	.603	1.658	.196
6.1.2	Efficient internal audit could do to minimizing irregularities to contribute in final audit.	105	1	3.9619	4.0000	.71956	.518	2.00	5.00	-.020	-.168	.867	.475	2.106	.205
6.1.3	It could controlling & settlement for prevailing irregularities with exercise the legal authority of budget disbursement, internal control & audit, supervision, monitoring, financial reporting, account staff management, that contribute to financial governance.	105	1	3.8095	4.0000	.69469	.483	2.00	5.00	.075	.654	.515	.513	1.950	.234
6.1.4	It plays an important role in resolving irregularities by upgrading financial accountability with fair and legal accounting, preparation of financial statements / reporting and implementation of excellent audit policy.	105	1	3.7524	4.0000	.76938	.592	2.00	5.00	-.061	-.426	.671	.333	3.006	.217
6.1.5	It has an important role for provide adequate and fair statistics, accounting information for help to understanding of entity, identified risk, audit planning, execution for best result, reporting job of final audit to execute audit policy to maintain financial discipline.	105	1	3.7524	4.0000	.76938	.592	2.00	5.00	-.076	-.571	.570	.384	2.605	.205

6.2	Rule of house of representative and constitutionally has made provision to discuss a public account & report of Auditor General in Public account committee. After discussion, it might direction to corrective action to audit entity, client agency, government, and other concern parties to financial regularizations. Can we say...?														
6.2.1	It plays important role for execution of audit policy with effective toward financial governance.	105	1	4.0667	4.0000	.68313	.467	3.00	5.00	.113	.972	.334	.500	1.999	.332
6.2.2	Important role has been playing on auditor reports for reform the contemporary audit policy, accountability establishing, answerability of public fund, raising issues of irregularities & outcomes, and best governance operational system	105	1	3.8095	4.0000	.72185	.521	1.00	5.00	-.003	-.030	.976	.488	2.050	.299
6.2.3	Public account committee has timely discussion on the financial issues and budgetary noncompliance issue raise in annual report that has been create accountability & discipline.	105	1	3.6667	4.0000	.74248	.551	2.00	5.00	.140	1.176	.243	.476	2.100	.370
6.2.4	Compressively, timely, & action oriented manner audit report has not discussed.	105	1	3.5905	4.0000	.70295	.494	2.00	5.00	-.029	-.298	.767	.691	1.446	.153
6.2.5	Public account committee has accountable investigation for reform on repeating issues, inaction of audit outcomes, audit reporting system & policy.	105	1	3.6762	4.0000	.70021	.490	2.00	5.00	.132	1.282	.203	.640	1.562	.356
6.2.6	It is importance for committee to studying, directing, controlling and monitoring audit policy & audit report for wholesome reform in public financial sector, auditing & reporting pattern of Auditor General to enhance financial governance.	105	1	3.6952	4.0000	.72223	.522	2.00	5.00	.351	3.193	.002	.560	1.787	.479
6.2.7	The direction of the committee have not acted mentionable action for the irregularities issue raise by the Auditor general report for sustainable reform.	105	1	3.7238	4.0000	.79051	.625	2.00	5.00	-.004	-.031	.975	.526	1.903	.239
6.2.8	Proper monitoring/ evaluation the compliance of own (committee) direction on issues raise in the annual report of Auditor general to boost up financial discipline/ public accountability are not so effective, timely and continuously done.	105	1	3.6857	4.0000	.72476	.525	2.00	5.00	.089	.835	.406	.595	1.680	.230

6.2.9	Timeliness, perception in Issue, decision in raise case management, language and directives of Public Accounts Committee on annual audit report of auditor general directed toward accountability of public official.	105	1	3.6286	4.0000	.69693	.486	2.00	5.00	.251	2.186	.032	.513	1.950	.357
6.2.10	The Acts and provisions of the Public Accounts Committee should be amended in a timely manner to increase the effectiveness of the audit policy through effective guidance to make it & able to bear public accountability.	105	1	3.7905	4.0000	.74285	.552	2.00	5.00	-.162	-1.526	.131	.597	1.676	.138
6.2.11	The effectiveness of the Auditor General's report and audit policy depends on the intervening and the complementary role of the committee to discussion, research, recommendation on audit observation & reporting system.	105	1	3.7714	4.0000	.71059	.505	2.00	5.00	-.116	-.974	.333	.477	2.097	.227
6.3	Account responsible officer's process to regularize without taking action and not keeping record of irregularities amount & person on auditing objection, eliminating irregularities decision (Bemakha samandhi cabinate decision), Time to time forming the Irregularity amount Settlement Evaluation and Monitoring Committee decision for clearing backlog irregularities, disaster time's losing evidences and lost irregularities amount's regularization etc. are those process to regularizing practices in Public audit. Office of Auditor General has been requested to settle irregularities amount according to their decision. Can we say that...?														
6.3.1	A decision without reform work is not seemed to contribute to good financial governance.	105	1	3.9714	4.0000	.80213	.643	2.00	5.00	-.043	-.372	.711	.514	1.946	.114
6.3.2	It has influenced the system-based reform of the audit policy.	105	1	3.8571	4.0000	.76496	.585	2.00	5.00	.215	1.660	.101	.403	2.480	.304
6.3.3	'Irregularity amount Settlement Evaluation and Monitoring Committee' has importance role for, execution of audit policy & accountability.	105	1	3.8095	4.0000	.72185	.521	2.00	5.00	.021	.196	.845	.584	1.714	.169
6.3.4	Committee settle very old irregularities amount only, but it is unsuccessful to create personal or institutional accountability on financial soundness/fairness.	105	1	3.7333	4.0000	.69706	.486	2.00	5.00	-.066	-.622	.536	.592	1.688	.143
6.3.5	The 'Irregularities Settlement Committee' formed under the chair of member of the Public Accounts Committee, has limitations or scope to strengthen the audit policy towards good financial governance.	105	1	3.8952	4.0000	.70607	.499	2.00	5.00	.111	1.119	.266	.687	1.456	.368

<b>R<sup>2</sup></b>	<b>F-test</b>	<b>Durbin Watson value</b>	<b>decisions</b>
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,439	3.090	2.076	To test hypothesis H1; F, P-value < 0.05 which is indicate <b>ROPAP(MV)</b> has played significance role in maintaining financial discipline and accountability in Nepal.
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Respondent 105 answer in Rensis Likert scale questionnaires that has Statically analysis in SPSS and relationship between IV-EOPSAP & DV-MFAD; Here found that mean 3.7914, median 3.8095, minimum 2.86, maximum 5, standard deviations 0.39436, variance 0.156, range that shows the statically most are with in significance level. Here p value of independent t-test of questionnaires no. 3.4- p 0.023, 3.6.1- p 0.007, 3.8.4- p 0.028 is less than 0.05 (P ≤ 0.05) so the alternative hypothesis accepted and significant has to be reconsider or made to improve. Rest of other questionnaires t value is higher than 0.05(P > 0.05) so null hypothesis accepted and non-significance level that has low effects on the dependent variables & relation with IV. Correlation value within -1 to +1 here value with in 1 and most are positively correlated. R2 is determining the variability value of DV linear relationship with IV, which is closer relationship. Collinearity statistics shows the one repressor correlated with other repressor or liner regression between repressor shows above. Durbin Watson value explain the correlations between the successive of data, which within 1.5-2.5 to positive correlations that shows above table.

**VALIDITY FREQUENCY OF QUESTIONNAIRE ‘RENSIS LIKERT SCALE’ ON MV-ROPSAP**

Validity relationship MV-ROPSAP & DV-MFAD is missing system is 1 within 0.9 % where Unknown 0.9 %, Disagree 0.9-5.7%, Partially Agree 18.1-41.9%, Agree 41-63.8%, &Strongly Agree 18.5-26.4%. The statement answer unknown and disagrees more is ‘Important role has been playing on auditor reports for reform the contemporary audit policy, accountability establishing, answerability of public fund, raising issues of irregularities & outcomes, and best governance operational system’ & ‘The direction of the committee have not acted mentionable action for the irregularities issue raise by the Auditor general report forsustainable reform, Proper monitoring/ evaluation the compliance of own (committee) direction on issues raise in the annual report of Auditor general to boost up financial discipline/ public accountability are not so effective, timely and continuously done, & A decision without reform work is not seem to contribute to good financial governance’ respectively and strongly agree is ‘plays important role for execution of audit policy with effective toward financial governance’. Majority respondents are in 'Agree' & then partially agree. Respondent on relationship within the middle range are most.(Detail in Annex-9-6)

**4.21 TIME FOR AUDITING, DISCLOSER IN FINANCIAL STATEMENT, AND MANAGEMENT INVOLVEMENT IN FRAUDULENT PRACTICES ARE EXTRANEIOUS VARIABLE, WHICH HAS LIMITED THE AUDIT POLICY EFFECTIVENESS (EXTRANEIOUS VARIABLES)**

For maintaining financial discipline and accountability depended on TFA where has collecting the data about effectiveness of new auditing model. Response of respondent has collected here about intuitional capacity to linkage with time& financial statement, time or not to starting fraudulent audit, oversight agency’s role for effectiveness of audit policies, PAC action, monitoring and evaluation's role on audit. This section made question and collected data form different respondent are as follows;

**TABLE 26**STATICALLY ANALYSIS AND RELATIONSHIP BETWEEN EV-TFA & DV-MFAD

S. No.	Statistics										Independent t t- test		Collinearity statistics		Pearson Correlation									
	Valid	Missing	Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)	Tolerance	VIF											
	<b>Constant</b>										<b>6.618</b>	<b>.000</b>			<b>1</b>									
7.1	Financial statements, audit duration, institutional capacity, work force strength, managerial skills and accountability plays a role in creating accountability and maintaining discipline by following the audit policy?										105	1	4.2286	4.0000	.59254	.351	3.00	5.00	.117	.983	.328	.572	1.749	.298
7.2	Fraud in management collusion, manipulation of results, fictitious evidence of irregularities, evidence created in audit, etc. make implementation of policy less effective in maintaining accountability and discipline.										105	1	3.9619	4.0000	.67829	.460	3.00	5.00	- .146	- 1.263	.209	.607	1.648	.160
7.3	Oversight agency like CIAA, national vigilance center, other regulating agency affect the audit policy to delivering output as financial discipline.										105	1	3.7619	4.0000	.72753	.529	2.00	5.00	.118	1.176	.242	.814	1.229	.274
7.4	Increasing public financial accountability through an oversight agency like CIAA, national vigilance center, other regulating agency move their investigative work basing on audit results further confirm the effectiveness of the audit policy.										105	1	3.8190	4.0000	.69033	.477	2.00	5.00	.139	1.197	.234	.606	1.651	.322
7.5	PAC's decision, action, monitoring & evaluation toward eradications of financial irregularities activeness, Ad-hoc decision of government, formation of committee to activating for minimize irregularities has to importance for sustainable financial										105	1	3.8000	4.0000	.65633	.431	2.00	5.00	.278	2.281	.025	.546	1.831	.387

R <sup>2</sup>	F-test	Durbin Watson value	decisions
<b>.196</b>	<b>4.827</b>	<b>1.980</b>	To test hypothesis H1; F, P-value < 0.05 which is indicate TFA(EV) has played significance role in maintaining financial discipline and accountability in Nepal.

Respondent 105 answer in Rensis Likert scale questionnaires that has Statically analysis in SPSS and relationship between IV-EOPSAP & DV-MFAD; Here found that mean 3.9162, median 4, minimum 3, maximum 5, standard deviations 0.50060, variance .251 range that shows the statically most are with in

significance level. Here p value of independent t-test of questionnaires no. 7.5-0.025 is less than 0.05 ( $P \leq 0.05$ ), so the alternative hypothesis accepted and significant has to be reconsider or made to improve. Rest of other questionnaires t value is higher than 0.05 ( $P > 0.05$ ) so null hypothesis accepted and non-significance level that has effects on the dependent variables & related to IV. Correlation value within -1 to +1 here value with in 1 and most are positively correlated. R2 is determining the variability value of DV linear relationship with IV, which is closer relationship. Collinearity statistics shows the one repressor correlated with other repressor or liner regression between repressor shows above. Durbin Watson value explain the correlations between the successive of data, which within 1.5-2.5 to positive correlations that shows above table.

**VALIDITY FREQUENCY OF QUESTIONNAIRE ‘RESINS LIKERT SCALE’ ON EV-TFA**

Validity relationship EV-TFA & DV-MFAD is missing system is 1 within 0.9 % where Unknown 0 %, Disagree 1-2.9%, Partially Agree 8.6-32.4%, Agree 50.5-60%, &Strongly Agree 12.4-31.4%. The statement answer disagrees more is ‘Oversight agency like CIAA, national vigilance center, other regulating agency affect the audit policy to delivering output as financial discipline’ and strongly agree is ‘7.1 Financial statements, audit duration, institutional capacity, work force strength, managerial skills and accountability plays a role in creating accountability and maintaining discipline by following the audit policy’. Majority respondents are in 'Agree' & then partially agree. Respondent on relationship within the middle range are most. More respondent accepts extraneous variable.(Detail in Annex-9-7)

**4.22 OVERALL ANALYSIS AND CONCLUSION**

All questionnaires are transformation as grouping to dependent variables and independents variables. Maintenance financial discipline and accountability (MFAD) dependent variable tests on the independent variables are EOPSAP, EOIAP, EOEAAR, EOPSAI, ROPSAP, TOF their relation and consistency through central tendency and dispersion of statically tool using SPSSThis section made question and collected data form different respondent are as follows;.

**TABLE 27 STATICALLY ANALYSIS AND RELATIONSHIP BETWEEN ID/MD/ED & DV-MFAD**

S. No	Statistics										Independent t- test		Collinearity statistics		Pearson Correlation
	N	Mean	Median	Std. Deviation	Variance	Minimum	Maximum	b-value	t-value	Sig. (2-tailed)	Tolerance	VIF			
Valid													Missing		
	<b>Constant</b>										1.146	.255			
1-DV	Maintain Financial discipline and accountability	105	0	3.8684	3.9091	.49424	.244	2.73	5.00	.426	1.146	.255	.505	1.979	1

2-IV	Effectiveness of Public sector Audit Policy	105	0	3.6032	3.5556	.44031	.194	2.67	4.89	.160	3.958	.000	.342	2.923	.588
3-IV	Effectiveness of Implementation of Audit Policy	105	0	3.6963	3.6667	.39649	.157	2.75	4.94	-.174	1.224	.224	.336	2.979	.542
4-IV	Effectiveness of Executions the Annual Audit Reports	105	0	3.7375	3.6875	.47269	.223	2.75	5.00	.189	-1.320	.190	.523	1.911	.435
5-IV	Effectiveness of Public Sector Institutional arrangement for addressing audit objections and findings	105	0	3.7581	3.6667	.45085	.203	2.67	5.00	.111	1.787	.077	.324	3.089	.442
6-MV	Role of public sector Audit partners (Auditees (OCG), Irregularity Settlement & Evaluation and Monitoring Committee, Irregularity amount Settlement Evaluation and Monitoring Committee & Ad-hoc committee)	105	0	3.7914	3.8095	.39436	.156	2.86	5.00	.079	.826	.411	.489	2.046	.465
7-EV	Time for auditing, discloser in financial statement, and management involvement in fraudulent practices are extraneous variable, which has limited the audit policy effectiveness	105	0	3.9162	4.0000	.50060	.251	3.00	5.00	.079	.721	.473	.489	2.046	.390

<b>R<sup>2</sup></b>	<b>F-test</b>	<b>Durbin Watson value</b>	<b>decisions</b>
<b>.427</b>	<b>12.179</b>	<b>2.067</b>	To test hypothesis H1; F, P-value < 0.05 which is indicate <b>TFA(EV)</b> has played significance role in maintaining financial discipline and accountability in Nepal.

Respondent 105 answer in Rensis Likert scale questionnaires that has Statically analysis in SPSS and relationship between IV/MV/EV & DV-MFAD; Here found that mean 3.6-3.91, median 3.55-4, minimum 2.67-3, maximum 4.89-5, standard deviations 0.39-0.50, variance 0.156-0.251 range that shows the statically most are with in significance level. Correlation value within -1 to +1 here value with in 1 and most are positively correlated. R2 is determining the variability value of DV linear relationship with IV, which is closer relationship. Collinearity statistics shows the one repressor correlated with other repressor or liner regression between repressor shows above. Durbin Watson value explain the correlations between the successive of data, which within 1.5-2.5 to positive correlations that shows above table.

**4.23 VALIDITY:** Validity is the measurement of truth or the extent to which the measurement process measures the variables it claims to measure. It is also concerned with the suitability, quality, and accuracy of the procedure used by researchers to respond to the research questions that the instrument is intended to measure. Predictive validity: Researcher frameworks or constructs that were employed to forecast phenomena in the near or far future have been put to the test via concurrent predictive validity. All above the question and variable, we testing with interprets correlation to test validity with framework and outcomes validity. Here test that validity find the all independent variables are positively correlated to the dependent variables has validate constructs.

**4.24 RELIABILITY:** Reliability is a measure of how stable and consistent research instruments

Case process Summary				Reliability Statistics		
		Number	%	Crone Alpha	Bach's	No of Items
Case	Valid	105	100	0.967		122
	Excluded	0	0			
	Total	105	10			

are, and it depends on factors like questionnaires, respondent circumstances, interactive settings, and the suitability of the instrument. Durbin, b, and other statistical tools are tested. Test of the reliability through the SPSS these are results. Reliability test "between" the .00 to 1. Those results has approximately 1 which perfect consistency. Reliability gives to go forward for the research.

**4.25 CONCLUSION:** In this section, we conduct quantitative, qualitative and quantitative analysis of primary and secondary data with mixed research approach. We study different 10 years auditor general audit report , PAC report, other committee's report and questionnaire survey and , key informant interview and we test reliability and validity of questionnaire data get to result s which we presented hare with analytical view and results . This is how for relevance to research and variables we going to test are presented hare. So we follow research framework and methodology to get data, presented and analysis.

## **CHAPTER-V: SUMMARY, CONCLUSION, SUGGESTION AND RECOMMENDATION**

Aim of research has mention with theme of study or conclude opinion has presented. The test, experiment of research study's significance or outcomes & information finding, problems summaries result, main or pain point and challenge, solving challenge, getting solution & acknowledge and finding factor, achievement of research goal or suggestion to solve the challenge and submitted in this section after research. This section has summarise the secondary data and literature, observation, focus group discussion as qualitative analysis and analysis of quantitative data's summary report which are mixed approach of study get into conclude that effectiveness of public sector audit policy to maintain financial discipline and accountability. All findings are arranged according to research objective and hypothesis or research question for getting to conclusion and suggestion. These are the

### **A SUMMARY OF MAIN FINDINGS**

**5.1 SECONDARY DATA AND LITERATURES STUDY:** Audit report is main products of public sector audit policy to confine financial discipline and accountability. Auditor General issue the annual report in every financial year with raising issues of a) recoveries b) irregularities c) proof documents to be submitted e) advance amount need to be cleared. Audit report explore those amount which are illegal & excess amount paid in contract, payment & procurement, misuses of government fund & properties, unnecessary burden of allowance, public expenses without any documents and follow the procedure, losses of cooperations and irregularities, misconduct in assessment and collection taxes etc. Those scenarios show the audit policy going to right track to delivered policy outcomes or output, even though the repeating same issues from the beginning of first report and every increasing amount of irregularities show there is gaps in public sector audit policies for better outcomes. Weak recoveries and settlement of irregularities without sustainable financial discipline and conforming not repeating guarantee are those weaknesses for delivered financial governance and discipline with accountability.

Identification to formulation of public sector audit policy are seen to be huge gaps. Constitutional Provision of supreme audit institution in Nepal that Audit office is established and audit act has issued after 12 and 14 years respectively. There is only change in audit policy as performance auditing in 2045 B.S. and audit act are revised and newly issued in 2048 & 2075 B.S. after the restoration of democracy and establishing the republic nation in 2047 and 2063. It takes 3 decades to change or contextualize and updating the audit policy. There are still need of audit procedural law and regulation, sampling guideline, reporting guideline and audit disciplinary action guideline etc. First audit act to still is 6 decades audit run without procedural law as audit regulations. Audit guidelines are mostly delivered in 2055 B.S. and revised in 2063 B.S. as well as issued new. Some newly sector audit policy as gender, environment, people participant and disaster also issued in different after need assessment. These conditions show policies are delivering after the political changes however there has less attention toward the situation change, contextualized, proper feedback of policy and identifying and forecasting and delivering to policy for better performance.

Irregularities amount in auditor general report has decreasing in central government and more irregularities in province and local government shows data. 2075, 2077, 2078 B.S. report government agency irregularities in totality 3.76%, 4.72% and 4.97 respectively

but in local government audit level 7.25%, 5.15%, 5.00% . Finding are mostly repeatating issues and raising amount, some similar type issues from first annual audit report of OAG to 59th annual audit report of OAG. Correction of auditing issues are just for short time settlement butnot for sustainable finaancial dicipline that are one time settle through regularization procee through account responsible officers. CIAA has filed 351cases in increasing amount and Transparancy international has ranking Nepal in currupted nations 113 th rank and get only 33 marks out of 100. These circumtance audit has to change ridgit and traditionly conduct eventhough there tool, technologh and modality. Like these every year follow up audit amount is to settle in 10 years respectively 40.05, 46.33, 46.99, 46.47, 47.97, 50.30, 40.49, 45.75, 31.73, 39.33 % eventhough there is no significant changes in irregulatities habbit of government agencies. Still more than five billions of irregularites before 2058/59 B.S. transfered to kendriya tahasil karalaya which include the amount of first report that has been more than half century.

Auditor general had been issued five-volume report before 2063 B.S. that has been minimize to single volume of report. Comparatives with SAARC nation there has low transparency, issue wise reporting and separate performance audit report for making transparency and accountability. Auditees has been follow to settle the issues of report but not permanent solution for irregularities and there no action against the irregularities doer that are cause of increasing the volume of audit irregularities. PAC also busy to settle the issues & make decision on issues and there has not seen the overall analysis and conclusive remark and analytical report for maintain financial discipline and accountability. Other irregularities settle committee are only concentrate in fixing target of settlement audit findings for settle irregularities and make settle but not finding cause and sustainable solution, policy gaps for irregularities which are problem for financial discipline and accountability. First report irregularities to be settle, increasing volume of irregularities amount, continuous of similar type of irregularities are questionable for effectiveness of audit policy in public sector.

**TABLE 28SUMMARY ANNALYSIS OF SECONDARY DATA**

S.NO.	variables	Secondary data Evaluation
1.	Financial discipline and accountability	After the establishment audit office and issuing Audit act in 2018 B.S. OAG/N has conducted audits, issuing the audit report where it explores the audit finding of the regularities on financial discipline. Irregularities raises 5%, approximately in amount, different theoretical issues in financial execution part of audit entity and has doing follow up audit up to the 40% percent. PAC has discussion and settlement audit issues and irregularities settlement committee on chair of public account committee member did for it. Irregularities and undocumented accounting amount is 50% that mean to implementation part of public sector audit policy is weak. That is cause for not effective to maintain financial discipline and accountability. Feedback and corrective action in audit policy cycle are not mentionable so that there is some gapes however; audit policy has

		better done for promoting financial accountability and discipline.
2.	Effectiveness of public sector Audit policy	<p>Audit policy, rule, regulation and other guideline had made from establishment of OAN/N from 2016, which is late and not timely updated. Guideline are made for different time but take more time for updating and contextualizes to current national and international scenario. More than six decades some guideline, procedural law and regulation has not been formed. Forensic audit, sampling standard, real time audit policy has been lacked. Audit policy has given better output where OAG/N raising burning issues and irregularities amount goes to overall 5% and theoretical issues also in huge volume.</p> <p>Every increasing the audit volume and issues of irregularities and boosting financial transparency by questioning accountability for public fund.</p> <p>Follow-up audit has settle in average 40% is better output of audit policy however the irregularities from 1st report is still to be settled and irregularities repeated in same manner and increasing in volume.</p>
3.	Effectiveness of Implementation Audit policy	<p>Audit irregularities in volume from 10 years are 4912 to 10438 billion which shows the more than 200 time increased in expenses and irregularities. Approximately audit irregularities has set in 5% which pictures shows audit policy has not regularize in efficient manner that is the effectiveness of audit policy executions</p> <p>Audit report shows that recoveries amount in 4 years report has increasing continuously form 1870 coror to 2660 coror and recoveries are decreasing 1409 coror to 616 coror as well as not submitted a proof documents in audits in 2077 and 2078 reports are 33.52, 35.88 respectively. Audit policy executions are relatively room to reform and make it efficient.</p>
4.	Effectiveness of execution the annual audit report	<p>Audit report making transparency and accountability to public official, here Auditor General audit report yearly predict more than 5% irregularities in government agency and raising issues in corporation. Audit report also explore the theoretical issues in report, which make financial discipline. More than 40 % of finding of audit report are settle however theoretical issues less concern and other irregularities are piling year by year.</p>

5.	Effectiveness of public sector Institutional arrangement for addressing audit objection and finding.	Irregularities Settlement Committee, Irregularities settle monitoring and evaluation committee has formed to maintain financial correction in raising the issue by OAG. Parliamentary committee public accounts committee has discussion on public account and report of OAG, give direction toward irregularities and financial misuses to correction, and maintain financial discipline. Here is not satisfactorily correcting irregularities finding by auditor general reports. PAC discusses and decides on issues of OAG's annual audit report, but no holistic analysis of financial discipline and accountability status, insufficient monitoring and evaluation of audit results and public accounting and cannot maintain accountability and financial corrections as expected as public sector audit policy. Annual audit report discussion has pending different years too.
6.	Role of public sector Audit partners	Audit partners are auditor, auditees, different irregularities settlement committee, PAC, stakeholder which has prime role for making financial discipline, In Nepal audit policy as law guideline, directives has provision for that who are perform for financial irregularities correction activates. Irregularities settle committee, monitor committee and parliamentary committee has decision on irregularities settlement, which 40% amount of irregularities yearly and It plays a significant role in maintaining vigilance & direction to take action against irregularities doer.

**5.2 OBSERVATIONS:** In working in Public sector audit and private register audit I closely observed the public audit policy, procedure and actual action or implementation and its outcomes toward the financial discipline that I have found and get experience and real-time observation and involved in those activities of policy cycle. These are general summaries;

**5.2.1 AUDIT LAW/POLICY:** Constitutional provisions from the primary constitution ' Nepal KO Bidhanik Kanoon 'of Nepal, however office of auditor general established in 2016 B.S. and Audit act has issued in 2018 B.S. General amendment had wiped out old act while the new act has issued in 2048 B.S. These scenarios have shown that there's audit policy has executed but lack and not updated timely as situation, context and international update moreover as lack of any policy in several areas, e.g. sampling standard. Audit policy or standard is directly acquiring from the INTOSAI guideline and ISSAI that incorporates a problem with language order, simplicity, clarity to procedure and absorption thanks to not contextualize and familiarize Systems International d'Unites to the national context. After has issued republic constitution of Nepal third time new act is issued in 2075 B.S.

- 5.2.2 IMPLEMENTATION OF POLICY:** Parallel conduct of audit-by-audit managers and audit staff, two-tiered rounds of auditing reviews that maintain policy but are not well executed. Risk register and risk analysis is not proper to effective plan. Audit implementation is in terms of document analysis or review rather than system-based audits that expose irregularities and undisciplined on finance. Raising issues in audit report of the financial conditions demonstrated transparency, but none maintains sustainable financial discipline and accountability. Auditees, responsible persons, responsible accountants, concerned ministry have not properly resolved irregularities that has piling year by year. Follow-up audits have resolved issues that are not at a satisfactory level, but which have similarities and huge irregularities arise every year that maintaining financial discipline and accountability, but not at a satisfactory level in financial governance. The audit policy is not fully executed, and the audit finding is repeated and very extensive, but does not meet the public demand of forensic examination, fraud and tampering findings, national investment results analysis.
- 5.2.3 RECORD AND ACTION:** According to audit policy the accountability, liability of all concern public official has mentions and provision of documentation-record keeping of irregularities raise, settling procedure & modality, legal action on irregularities doer/maker, reward system, but in reality not mentionable legal action and its record in all audit partners and no provision not repeating behaviors. There is still irregularities of 2018 B.S. has to be settled but action on doer. Audit policy has declared to settle all irregularities within 3 years however, not maintain policy directions in behavior.
- 5.2.4 REPORT:** Auditor General has given one volume report compiling all kinds of audit, yearly activity & progress and there are not any separate audit report of various audit and issue base audit report e.g. Performance, gender. There is no separation an annual report and audit report of OAG/N. OAG/N report highlights different problems with irregularities, misuses and fraudulent practices on public finance, however, an audit report is complicated and not separate that is difficulties for public in acquiring information. There is some question about the similarity and equal treatment among the audit report of entity, particularly audit report has made transparency and accountability of public officials through execution of audit policy effectiveness to take care of financial governance. Committee has not overall analysis of the full financial scenario to form financial discipline and accountability additionally as decision and overall scenario in her reports similarly because the committee has not monitoring report on her report execution and direction to proceeding. The Irregularities settlement committee has not given any report of her work on financial discipline & accountability, maintain, except list of settled irregularities amount by it.
- 5.2.5 ACCOUNTABILITY AND ACTION:** Financial procedural act and accountability act 2074's section six-article 36 point the duty to submit the account and finances of transaction to auditor furthermore as answer the question of auditor or other material they have for audit. Account responsible officials would also unsuccessfully, then could write to concern the minister to settle them, then it accumulates to an annual report that's mentioned in article 39 , 40 Financial procedures and accountability act 2074. It is duty to settle the audit objection or results of responsible person, however, it would impracticable by him, and then audit office could write to 'Account responsible official. OAG's Financial accountability cradle evaluation procedure-2073' says that irregularities represent

both figure and theoretical issue. The ultimate administrator also evaluates through there is irregularities or audit object were settled or not.

**5.2.6 AUDIT & IMPLEMENTING PARTNERS OF AUDIT POLICY:** Nepalese audit has conduct citizen partnership audit and In performance audit focus group discussion in performance audit in field who are actually involved in execution the program for their own and societal goal. Newly modality of auditing, Performance audit, Gender audit, IT audit etc. OAG/N conduct auditing with collaboration with User, Citizen, Expert to related field, NGO/INGO .Audit policy are implementation by different partner's a. Auditor, b. Auditees, c. Irregularities settlement committee d. PAC e) Government account responsible officer and Responsible officer of other stakeholder to mobilizing and answerability of public fund. Implementing partner's progress did for discipline but statistics shows irregularities are increasing and repeating and audit with partnership not going well.

**5.2.7 Follow-up audit:** A follow-up audit is conducted by the Office of the Auditor General (OAG) where the responsible person resolves the irregularities with sufficient evidence to request a follow-up audit from the Office of the Auditor General/N. The auditor general needs at least 3-7 days to follow up, while on-site audits are rarely conducted due to time constraints. Accounting officers are not penalized for normalizing unauthorized amounts and failing to take action against those responsible. Auditors should also be accountable for follow-up audits, which should help quality. This has not been done by the OAG/N.

**5.3 KEY INFORMANT INTERVIEW:**Key informant interview with three former deputy auditor general and eight experience charter accountant and practitioners of public private audit with different questions in which they give their opinion on the researching issues or questions. These are the summaries.

**5.3.1 EFFECTIVENESS OF PUBLIC SECTOR AUDIT POLICY'S ROLE FOR FINANCIAL DISCIPLINE AND ACCOUNTABILITY:** Effectiveness of public sector has vital role to maintain financial discipline and accountability as 'watch dog', in addition accounting policy, revenue, and expenditure policy also play role. To maintaining effectiveness of audit policy toward the governance, need to be review audit policy and approaches by focusing more in performance audit.

Yes for the effectiveness of public sector audit policy play vital role in the financial discipline and accountability on a) demand side( government), b) citizen side, & c) supply side as public auditor, but it less effective as expected by and prescribe by public sector audit policy or law and improve in room of questioning.

**5.3.2 ADEQUACY OF PUBLIC SECTOR AUDIT POLICY AND FINANCIAL FRAMEWORK FOR FINANCIAL GOVERNANCE:** Adequacy of Policy is almost all enough, but it has not be implementations and set of procedure are so week and revisit audit system of local level. Supervision and monitoring systems are not effective, internal audit and control system are week, financial management in grassroots or local level are poor, in addition specialized audit should be implemented as forensics audit, concurrent audit, gender audit etc.

Design part of policy okay and large policy take place in Nepal seem it is in adequacy, however Transfers policy into action is problem, Fiscal federalism week- centralized control & power center as well as fiscal procedure has not applied in public financial management (PFM). Overall financial discipline is not well define and vague as well as overlapping authorities of oversight agencies and

controlling system. There is room for improvement as adherence and implementation of international standards and fiscal discipline.

- 5.3.3 **FOLLOW UP SYSTEM EFFECTIVENESS, RECURRING AND INCREASING IRREGULARITIES:** Recurring and increasing is cause of not timely regularize, not taking action in follow up, and left to accountants and not monitoring by OCG and few personal wide range of duties. Problem of inaction in follow up audit is major role for recurring. OAG has not yearly target or and priority to settle irregularities or follow up. There is no provision of discontinue the audit irregularities after some time bond as prescribe by law. Disagree of Auditor, Quality of audit observation, and capacity of auditor (traditional bias) has responsible for recurring and increasing issues.

Gaps in saying and doing in organization and personal level, not well reward & punishment in addition lack of accountability, impunity & less governance institutionalize of corruption practices are responsible for it. Negligence for improving, monitoring & evaluation, linking performance to accountability has to be problem. There need to be establish independent entity monitoring and evaluations.

- 5.3.4 **ROLE OF AUDIT PARTNERS:** All audit partners and officials has specifies their role in PFM and financial procedural act and regulations, all entire public sector or partners are responsible for irregularities, as far as main responsibilities for responsible person of entity and role of supervision of account responsible official (secretary of ministry). Auditor has role to settle audit irregularities on basis of perfect evidence only, in addition PAC has role of settle huge backlog hearing Lack of accountability failing to comply prevailing legislations. One added Politician are ultimate authorities so they has vital role.

All has important role and keeping their word to translate into actions and need to change process, attitude or monitoring model of auditor and auditees. There is lack of accountability measures and framework that all parties are responsible. Citizen partnership in budget, planning, specified term of reference, ensure to minimize the irregularities and effectiveness for financial discipline of partners. Social Frameworks, attitude, and fraudulent environment has raise questions on positions of politicians, account responsible official and other for maintain integrity and financial discipline.

- 5.3.5 **IMPLEMENTATION AUDIT POLICY AND INSTITUTIONAL CAPACITY:** This has to play role in effectiveness of audit policy for maintaining the financial accountability and discipline. Audit policy building- implementations, report or audit outputs execution, capable staff & absorption capacity for new technology, familiarity with financial policies, institutional arrangement & best practices or system of Excellency, auditing partner's effective role, timeliness of audit report, discloser of statement, management involvement in fraud and manipulation, excellent organizational development those all are inter related, and actors & activities for effectiveness of public audit policy. Change public service delivery system & audit process for desire outcomes, technical skill, moral behavior, and motivational are good factor implementation of audit policy and best outcomes.

- 5.3.6 **AUDIT REPORT EXECUTIONS:** Institutional arrangement, relationship with stakeholder, timely issuance of audit reports are crucial to OAG Deliver as per its audit mandate. Mandatory cradle of public audit standard has maintain of effectiveness of policy and result as report, where all those activities are responsible for executions.

**5.3.7 CURATIVE AND PREVENTIVE ACTION BY OAG OR NOT:** Audit main target is to transparency, accountability and integrity, so OAG can conduct curative and prevent action for financial discipline by formulating policy to interacting to audit entities. INTOSAI suggest that for cooperation and collaborating with internal audit, & 'Stakeholder engagement strategies 2019-2023', ISSAI 130 has permitted for those actions.

Applying west-minister model in audit to conduct post mortem audit. It is allow for engage with stakeholder and extent it has allowed and sensitize financial discipline for professional and ethical considerations that has minimized the irregularities for best outcomes form the auditees. Some say role of OAG fixed by constitutions, give opinion only and curative action dome themselves by auditees however most of the international current scenario seem not to hindering avenue of curative action for OAG to ultimate goal for financial governance.

**5.3.8 ADEQUACY OF AUDIT RISK AND PLANNING:** Annual audit plan is associated with risk & contain details audit matter. Entity Audit plan is comprehensive, which base on annual plan, however it may relooked. Audit risk and plan based on international and national slandered, because of capacity of auditor to doing, as par to mitigation of identified risk and proper planning in public sector are week.

Public sector audit policy is doing right however, there is to be room of improvement and reviewed in it and its process, attitude and morale. Expected outcomes has not seem for OAG/N form current practice.

**5.3.9 AUDITOR CAPACITY OF ABSORPTION, REPORTING, AND NEW AUDIT TECHNOLOGY:** In auditing using INTOSAI guideline and standard but auditor has not capacity to full implementation and IT based audit tool (NAMS) which have been resist in applying that makes technological gaps to enable auditor or software to further enhance audit efficiency, better audit results and accountability. Auditor competency, updating knowledge on emerging issues including the new technological advancement is needs. There is weakness of supervisor and crossing limit of audit scope, issuing one way audit-reporting system has to be corrected. Lacking of multidisciplinary staff for developing information system, enhancing skill, variety audit entity and activities.

**5.3.10 NEW MODALITY OF AUDIT (IT, GENDER, ENVIRONMENT, AND DISASTER ETC.):** It resolve the specific risk in the particular area but follow up system not developed, Ministry is responsible for applying those type audit findings; however, there is absence of legal provision for acceptance and implementation of the recommendation of Auditor General.

Special audits base on impacts of public has to be strengthen, however there is no serious follow up the audit issues by executives and parliamentary oversight. OAG/N has not specific follow up policy for those audits.

**5.3.11 PAC & OAG MONITORING AND EVALUATION FOR FINANCIAL CORRECTIONS:** PAC is not efficiently in carrying out its reviewing activities due to lack of institutional capacity and work force. OAG and PAC develop mechanism to timely monitoring and evaluations.

PAC Deliberates the audit issues includes in OAG report but lacks systematically follow up for whether instructions have complied. PAC discussions requires attracting sufficient public attentions instead of closure of OAG reports. PAC & OAG should not express of own report in such way it may deemed as force push up of own activates and full focus will be required on brutal and unbiased review of implementations. The best enable via an evaluation framework PAC decide to

corrective action and there is result based performance monitoring and evaluation by PAC & OAG.

#### **5.4 DATA ANALYSIS AND HYPOTHESIS TEST:**

**TABLE 29 HYPOTHESIS TEST WITH ANOVA REGRESSION F ANALYSIS AND COMPARE WITH P VALUE**

<b>S. No.</b>	<b>Hypothesis</b>	<b>Regression- Weight</b>	<b>Beta coefficient</b>	<b>R<sup>2</sup></b>	<b>Durbin Watson</b>	<b>t-value</b>	<b>F-value</b>	<b>P-value</b>	<b>Hypothesis decided</b>
1.	Null Hypothesis (H0): There is no significance difference between effectiveness of current audit policy & procedure and its audit outcomes to maintain financial accountability and discipline.	<b>EOPSAP(IV)- MFAD(DV)</b>	<b>.588</b>	<b>.346</b>	<b>1.844</b>	<b>7.375</b>	<b>54.387</b>	<b>.000</b>	<b>H1-Accepted</b>
		Testing Hypothesis EOPSAP (IV) significant impact on MFAD. The dependent variable MFAD(DV) required on presiding variables EOPSAP(IV) to test hypothesis H1; F, t, b-value, P-value < 0.05 & P-value < 0.10 which is indicate EOPSAP(IV) has played significance role in maintaining financial discipline and accountability in Nepal.							
2.	Null Hypothesis (H0): There is no significance challenge and obstacle for corrective action or follow up audit to minimize irregularities as implementation of audit policy to maintain financial accountability and discipline.	<b>EOIAP(IV)- MFAD(DV)</b>	<b>.542</b>	<b>.249</b>	<b>2.114</b>	<b>6.552</b>	<b>42.925</b>	<b>.000</b>	<b>H1-Accepted</b>
		Testing Hypothesis EOIAP (IV) significant impact on MFAD. The dependent variable MFAD(DV) required on presiding variables EOIAP(IV) to test hypothesis H1; F, t, b-value, P-value < 0.05 & P-value < 0.10 which is indicate EOIAP(IV) has played significance role in maintaining financial discipline and accountability in Nepal.							
3.	Null Hypothesis (H0): There is no significance importance of annual audit report of Auditor General and analysis of regularities, propriety, economy, efficiency and effectiveness to maintain financial accountability and discipline	<b>EOEAAR(IV)- MFAD(DV)</b>	<b>.435</b>	<b>.181</b>	<b>1.949</b>	<b>4.898</b>	<b>23.989</b>	<b>.000</b>	<b>H1-Accepted</b>
		Testing Hypothesis EOEAAR (IV) significant impact on MFAD. The dependent variable MFAD(DV) required on presiding variables EOEAAR(IV) to test hypothesis H1; F, t, b-value, P-value < 0.05 & P-value < 0.10 which is indicate EOEAAR(IV) has played significance role in maintaining financial discipline and accountability in Nepal.							
4.	Null Hypothesis (H0): There is no significance importance to effectiveness of public sector Institutional arrangement for addressing audit objection and finding.	<b>EOPSIAP(IV)- MFAD(DV)</b>	<b>.442</b>	<b>.195</b>	<b>1.949</b>	<b>4.998</b>	<b>24.984</b>	<b>.000</b>	<b>H1-Accepted</b>
		Testing Hypothesis EOPSIAP (IV) significant impact on MFAD. The dependent variable MFAD(DV) required on presiding variables EOPSIAP(IV) to test hypothesis H1; F, t, b-value, P-value < 0.05 & P-value < 0.10 which is indicate EOPSIAP(IV) has played significance role in maintaining financial discipline and accountability in Nepal.							
5.	Null Hypothesis (H0): There is no significance role and contribution of audit partners and financial regulation activities of regulatory partners and personnel to maintain financial accountability and discipline.	<b>ROPAP(MV)- MFAD(DV)</b>	<b>.465</b>	<b>.216</b>	<b>1.958</b>	<b>5.333</b>	<b>28.440</b>	<b>.000</b>	<b>H1-Accepted</b>
		Testing Hypothesis ROPAP (MV) significant impact on MFAD. The dependent variable MFAD(DV) required on presiding variables ROPAP(MV) to test hypothesis H1; F, t, b-value, P-value < 0.05 & P-value < 0.10 which is indicate ROPAP(MV) has played significance role in maintaining financial discipline and accountability in Nepal.							
6.	Null Hypothesis (H0): There is no significance difference between changing paradigm and social value, sphere, & public expectation to maintain financial accountability and discipline.	<b>TOA(EV)- MFAD(DV)</b>	<b>.390</b>	<b>.152</b>	<b>2,008</b>	<b>4.293</b>	<b>18.426</b>	<b>.000</b>	<b>H1-Accepted</b>
		Testing Hypothesis TFA (EV) significant impact on MFAD. The dependent variable MFAD(DV) required on presiding variables TFA(EV) to test hypothesis H1; F, t, b-value, P-value < 0.05 & P-value < 0.10 which is indicate TFA(EV) has played significance role in maintaining financial discipline and accountability in Nepal.							

Testing Hypothesis EOPSAD (IV), EOIAD (IV), EOEAAR (IV), EOPSIAD (IV), ROPAP (MV), TFA (EV) significant impact on MFAD. The dependent variable MFAD(DV) required on presiding variables EOPSAD(IV), EOIAD(IV), EOEAAR(IV), EOPSIAD(IV), ROPAP(MV) & TFA(EV) to test hypothesis H1; F, P-value < 0.05 which indicates EOPSAD(IV), EOIAD(IV), EOEAAR(IV), EOPSIAD(IV), ROPAP(MV), TFA(EV) has played a significant role in maintaining financial discipline and accountability in Nepal. EOPSAD(IV), EOIAD(IV), EOEAAR(IV), EOPSIAD(IV), ROPAP(MV), TFA(EV) b-value 0.426, 0.160, -0.174, 0.184, 0.111 and t-value 3.958, 1.224, -1.320, 1.787, .826 respectively and Durbin Watson test value 2.007 in analysis with dependent variable to other independent variables. These data have shown the significance role of independent variables on dependent variable or financial discipline and accountability. Above hypothesis test we conducted Rensis Likert scale of questionnaire and making transformative to dependent and independent variables on the basis of mean value which gives the result all are hypothesis in level 1%, 5%, 10% accepts H1 accepted. Which means there is a significant role of all those variables to maintain financial accountability and discipline and overall linear regression is fit and accepts the model.

**5.5 RESEARCH QUESTIONS & RESULT:** Research Questions which we expected to find the answer through testing the variables by using mixed approach methods (quantitative + qualitative), where we set different questionnaires to collect data from different homogeneous respondents as government officials and financial actors. Testing different IV, MV, EV on DV, focus group discussion, observation and analysis of secondary data has given the result that are summarized above to get concluded in research question are as follows;

**TABLE 30 RESEARCH QUESTION AND RESULTS**

S. No.	Research Questions	Results
1.	Current auditing policy and process, is it possible and effectiveness to explain all kind of irregularities, assessment to maintain financial discipline? Rationality of implementation process of audit policy in Auditing system would to explain all activities equally way for person & institutional practice on their discipline and accountability?	Current audit policy are most effective gives result of finding objection different theoretical and cost issues but there is room for improvement for in action taking for sustainable financial discipline. Risk management and planning system contain detail and comprehensive to be relooked. Implementation follow all-best practices however weaken in procedure.
2.	Audit has enable to verify fiscal policy, system's complexity & non-clarity, verity of job nature & transform system, executor's skill, knowledge and resources sufficient to lead with accountability and discipline? Political actor and higher bureaucrat's responsibility & discipline has not influence in overall financial activities.	Implementation public sector audit policy take place vital role and most of audit policy has executed however, the implementation part are week part as monitoring, evaluation, taking action and minimizing audit regularities continuously repeating.
3.	Audit policies could have efficiency to analysis audit risk (Inherent, control, residual), correlated to each other or not for fair and free from financial error? How accuracy of Planning based on assessing Audit Risk to explore the financial irregularities, undisciplined and unaccountability? Is there proper management of risk to explore fact and irregularities through proper formulation and execution of audit plan?	Above study get into conclusion that risk assessment and audit planning are fair and justified for MFDA. Risk and planning doing best which is based in annual plan which directed toward the public accountability and follow international practices too but it may looking forward for further improvement. Risk register are maintain, assessment risk and making planning for executions. Finding and objection are recognition, which are expose by annual report of OAG and PAC discussion and give directions.

4.	Does current audit policy has sufficient to task management, audit plan, execution with time management to make product realistic report for creating accountability and financial discipline? Execution of annual audit Report promote Economics and financial soundness in that context or not? Current follow up auditing system ensure to corrected financial misconduct and misused of public money?	Current policy are sufficient has best result which shown by auditor general annual report yearly findings increasing irregularities more than 5%. Annual audit execution has seen as follow up audit up to the 40% however yearly issues are repeating so we must improvement and fully execute audit policy & take actions. Follow up audit through the legalization by Account responsible officers legalization of irregularities are problem for financial discipline however follow up give answerability and transparency to liable official.
5.	Is Annual audit report being adequate, credible and sufficient product of execution of current audit policy to fact finding? Is it possible for audit policy to analyzing answerability and accountability of public treasury or fund? Could repeating and increasing volume of irregularities and insufficient settlement of irregularities addresses lapses of discipline and accountability?	Annual reports make check and balance through the explore audit objection. Annual audit report of OAG/N yearly find different theoretical and cost financial issues. Every year repeating issues and discussion in PAC which analysis the effectiveness of public money and make financial governance. It search answerability of responsible person through audit objections and finding has to be settlement.
6.	Changing paradigm of audit as audit of environment, IT, public participatory, gender, and performance audit, does it make accountable, and discipline administration or not? Fraudulent audit, timely audit practice has necessary for answerability or not?	New audit or change paradigm of audit promote financial discipline. Most of respondent says yes by 79 %. This audit strengthen audit objection however absence of legal provision for implementation and execution is week.
7.	Can it be possible to generate accountability and discipline in social value and justice of public fund through audit partners role and Institutional arrangement of public financial management that have assessment by auditor ?	Auditor general audit report transparent and make accountability situation expose through annual report. It creates answerability to responsible person public expenditure and revenue. PAC, Monitoring and evaluation committee, Irregularities settlement committee and financial procedural and accountability act 2074 taking action for follow up audit and maintain financial discipline and accountability with social justice. Changing paradigm as citizen participant audit, environment, IT, gender, and performance audit justified the social value.

## B CONCLUSIONS

**5.6 CONCLUSIONS:** In Research, we conduct to study secondary data and Key informant interview of annual report of auditor general as well as we focus group discuss with different level policy chief as former deputy auditor general and senior charter accountant who are operate their own firm and involve in public sector auditing practice and policy too. Finding is deliver in the chapter four in detail and gist in summary. Quantitative analysis to collect data form the field by researcher from office of the auditor general, Comptroller general and government ministry at central level. These all-finding shows that overall objective and research question has answer. we found that;

### **Overall objective:**

The Research first objective is has to explained Audit Policy's accurateness, properness and proper execution for efficient and effectiveness audit service delivery to society, financial administration, budgetary system to make them discipline and accountable. Every year real term irregularities are repeated and similar type of objection lead the annual report. Irregularities lies in 5% of expenditure and follow up audit has done approximately 40 %, however same case in other report has repeated. The scenario how public sector audit policy work to show grey, objection in financial irregularities well but not proper & there must be room of improvement says by expert and other data. Quantitative analysis also agree in most part of efficient work but need for realization of new aspect and need of people as financial discipline and accountability. Recurring and increasing is cause of not timely regularize, not taking action in follow up, and left to accountants and not monitoring by OCG and few personal wide range of duties.

### **Specific objective:**

The Research second objective is has to analysis effectiveness of Auditor General's Annual Audit Report to generate transparency, accountability, credibility. Exploring contribution report for disciplinary action to maintain responsible & healthy financial system. Auditor general report categorically shows the irregularities as recovery amount, irregularities, irregularities to submittal evidence, advance and clearance that has been raising every year publish publically. Every year follow up audit with Account responsible official regularization the irregularities amount, follow up settlement without taking action and recording for repeating and doing irregularities. Audit General annual report has very much successive for create accountability, however execution part is poor, report transparency minimizing, not taking action on irregularities doer, different dimensional report in are minimizing etc. Role parliamentary committee (PAC) which has ultimate goal to execution of audit report for financial governance has centered in individual audit objection not rather to overall system reform and sustainable financial discipline. Other committee also work for minimize the current objection not for financial overall corrections. Mandatory cradle of the general public audit policies has maintain the effectiveness of policy and result as report, wherever all those activities square measure accountable for executions.

The Research third objective is has to access the importance of auditing policy for accomplishing fact finding to create accountability and discipline for

account responsible official, responsible personal and liable person to answerability. Auditor general audit report has finding different fact, which is reform financial misconduct as tax misuses, excess payment, price escalation and adjustment without evidence, variation, misuses of government property etc. government leasing system of government property that has explored. Auditor general with execution of public audit policy has declare the different theoretical /principle and cost wise issues in audit objection where 5477 entities audit of Nrs 532751 Coror Nrs. 41885 Coror irregularities are expose by OAG/N report 2078 and follow up audit Nrs. 8282(39.33%) Coror (govt. only) of cumulative irregularities amount Nrs. 21055 Coror. Repeating and day by day increasing irregularities. There is public sector audit has vital role to maintain financial discipline and accountability as 'watch dog', in addition accounting policy, revenue, and expenditure policy also play role but poor & week internal audit, control system, monitoring and evaluation system, There must look financial side by demand side (govt.). Citizen side, supply side as a auditor. Quantitative analysis also there are more people accept that it has vital role for creating accountability through transparency and answerability of their work risk assessment, planning, smooth run audit cycle, minimizing irregularities through audit objections.

The Research fourth objective is has to determine value of audit policy and process to maintain responsibility, accountability & discipline by public official. Analysis the audit policy effectiveness through new paradigm and action on fraudulent practices. Value of  $R^2$  is more than 0.5, Durbin value is in positive correlations value within 1.95 which is strongest liner regression of DV to EOPSAP and EOIAP. Audit policy and process or implementation has important role as working "Watch dog". It must concentration on monitoring and evaluations as well as looked for demand side (govt.), citizen side, supply side(auditor)that implementations process is set of procedures almost all enough in policy and execution but week in executions, so audit policy and process revisit, & make supervisory monitoring role effective.

The Research Fifth objective is has to explore role of Audit Partners and institutional arrangement for boosting OAG report for financial accountability & discipline and taking disciplinary action on irregularities.  $R^2$  is in middle range Durbin value is in positive correlations value within 1.95 which is strongest liner regression of DV to ROPSAP. Audit Partners has efficient role for implementation of audit report and public financial management as implementation of audit policy, settlement and correction of audit objection of financial irregularities, monitoring & evaluation. Taking action, and to make transparency and accountability through the participation of citizen partnership on budget to outcomes has to be minimize financial irregularities.

Auditor General raising those issues from first to 59th annual report repeating and no significant change however, irregularities volume has rise. Audit general annual audit report of 2071 compare with 2078 found audit entity, audit amount, audit irregularities are increase by 18, 126, 112 percentage respectively however settlement decrease from 4.28 to 2.28. OAG, PAC, Irregularities settlement committee, 'Kendrya Tahashil Karalaya', Irregularities amount settlement evaluation and monitoring committee has perform effective role for settlement irregularities, direction and control of misconducts, evaluation and monitoring activities that

decrease irregularities amount up to 40% has shown the effective role for making financial discipline. Even though it is un-success to fully settlement irregularities, taking action irregular, fully execution of report of AG that indicate there is room of improvement in activities, operational system, and evaluation and monitoring activities by reform in policies formulation to implementations.

Observations shown has not maintains record, documents management of irregularities doer and to action taken to them. Auditor General Report is in summary form but lack to detail reporting on basis of issues and subjects. Auditor general yearly issued report explore high amount irregularities as well as theoretical issues which presents misconduct of financial discipline and accountability help for MFAD. There is problem of fully execution of report's objections. Financial federalism has not execute as well as financial discipline are not define and defined are vague. These situation pictures that audit policy and its execution has proper work but weakness with poor execution as well as lack of some audit policy to deliver financial discipline and accountability.

Institutional arrangement has task to execution of annual audit report and disciplinary action on financial irregularities. Secretary of govt. (Account responsible officer), different committee, minister, Chief of office (Responsible person) internal auditing and internal control system has provision to minimize the irregularities that made financial governance however the policy adequate but problem in implementations. Lack of institutional capacity PAC, OAG could not effective reviewing irregularities activities but does something for financial discipline. Audit partners has important role for effectiveness execution of audit objections through create answerability of responsible persons. Staff of comptroller general, PAC, auditee and citizen, government has vital role to effectiveness in financial discipline maintain, create accountability that has been done by them but there are increasing irregularities volume indicate to revisit their role and develop capacity.

Institutional capacity, timeliness of auditing reporting, skill- capacity audit boosting FMAD. New tool, technology as fraudulent audit, IT audit, environment audit, gender audit, citizen partnership audit, are the demand of time to accept in auditing as far as CIAA, national vigilance center, other oversight agency, PAC effective glance to financial situation to alarm and execution audit report objection, follow up of those audit object create answerability and accountability that deliver financial governance. Special audit has impact on public where parliamentary committee need to reviewing and monitoring for applied its outcomes. Effectiveness of audit risk register, risk analysis, develop audit plan play effective outcome of audit policies. Audit risk and planning done well but there are space to make more realistic for betterment of results.

Conducting research in Effectiveness of public sector audit policy to maintain financial discipline and accountability on dependent variable MDFA to IV- EOPSAP, EOIAP, EOPSIA, EOEAAR, MV-ROAP, EV-TFA where we collect primary data, calculating mean, median, standard deviation, minimum and maximum that shown the value that more respondent accepting the correlation among DV and IV as well as analysis F, R<sup>2</sup>, b, r, significance result. Independent variables and other variables on dependent variable positively correlated and secondary data analysis, observation, report Key informant interview get into conclusion that

current audit policies and its implementation, effective execution of annual audit report, effectiveness of institutional arrangement, role of audit partner has effective role for maintain financial discipline, which has play vital role for financial governance but implementation- monitoring- evaluation are weak and poor and room of improvements.

Finally, conclude that Public sector audit policy's formulation or existing policy carrying efficiently, implementation of audit policy run smoothly & fully, product of audit policy as annual audit report. Its effectiveness in execution, effective institutional arrangement and effective role of audit partner for delivering best outputs in public financial management through effective execution of public audit policies and annual report, adaptation of new technology, tool, model of audit, fraudulent audit, activation of oversight agency has important role of maintain financial discipline. Accountability has maintain in Nepalese public sector audit policies eg irregularities is common, different committee and PAC monitoring evaluation and taking action, follow up audit has conduct for irregularities settlements, gender- environment- performance-IT audit has conduct etc. In audit policy there is room for improvement and new sort of policies has to be issued as well as implementation part is weak cause repeating and increasing financial irregularities and follow up audit not exceed 40 % and year to year piling. Action has not taken on irregularities done and not maintain documentations of it. Public sector audit policy cycle has perform well however implementation part is weak so needed to be revisit or relooked the provision and make it strengthen for maintenance of financial discipline and accountability of public official or responsible persons. So Public sector audit policies & its implementation, institutional arrangement, role of audit partners has positive relation and correlation to maintain financial discipline and accountability and nepalese context it has shown, but timely updates, correction & contextualization is needed for better outcomes & result.

## C SUGGESTIONS AND IMPLICATIONS

**5.7 IMPLICATION FOR STUDY:**The research conducted empirically with descriptive and interpretative philosophical approach having mixed approach of research methodology. Analysis more than 10 years annual audit report of OAG/N, literature, report of different audit irregularities settlement committee, report of PAC, public audit policy and review various national and international documents (especially provision of public audit in South Asian Association for Regional Cooperation, INTOSAI, ASOSAI). Own experience more than 25 years, discussion with deputy auditor general and senior chartered accountant has incorporated in research findings to meet research objective and question.. Respondent 105 of policy and officer level staff are taken in sampling group for survey that is reliable findings. It is mostly implication for executive, judiciary, legislature, political actor, high bureaucrats, PAC, other different committee, researcher-export-student because of its data, review result of different varies and intense focus group discussion and field questionnaire survey by research himself.

Philosophically it added small pace in knowledge moreover new theoretical value in maintenance financial accountability and discipline in public financial management area. Office of Auditor General and Comptroller General, government official;

specially account responsible officer and responsible person knows the gaps on their financial activities to correction for sustainable financial discipline for improvement of financial governance. PAC, Irregularities settlement committee, monitoring and evaluation irregularities settlement committee has also implication for their activities to relook for accountability and answerability for their work. These research help to improve new public sector audit policy for effective implementation of policies for best outcomes and contextualization of international and regional organization transformative audit policy for nation context of financial discipline.

Adequacy of public audit policy and implementation of audit policy are thoroughly we presents data and analysis, which shows current scenario of financial accountability, which show the huge gaps in, maintain financial discipline of government staff and budget executors need to corrective action on their activities. There is not proper documentation of irregular doer and action on them that has implacable for policy decision maker for sustainable financial corrections. Annual audit report of OAG/N has not effective but not well execute in manner of financial correction. Yearly repeating same issues and increasing volume irregularities and follow up audit just formalities. This make political leader and politician as well as citizen & intellectual society knock in indiscipline area and made financial discipline and accountability.

Institution arrangement has implication of this study where research analysis the gaps of institutional arrangements as well as institution missing in financial discipline. There is liability to create a answerability to public official and get into action on misuses and misbehave with public fund, resources and revenues. There should overall affect analysis trend to corrective action support by research. Audit partners has vital role to execute audit report as well as to boost up financial accountability through the correction of audit objection in long run. This says audit general has not issues audit regulation, sampling standard, audit procedure and level audit of staff and other different outcomes, which help auditor general to relook in his activities to improve work force, timely audit, fraudulent audit and audit practices.

Audit is not limited in financial audit only it looking forward to new paradigm and dimension so it is implacable for policy maker and parliamentarian to develop new tool and procedure of audit. CIAA, other oversight agency and vigilance has implication for this research paper to aware those areas for corrective action or long run financial discipline and accountability as well as taking action for not accountable activities. There is monitoring and evaluation committee for irregularities under chair of chief secretary of Nepal Government, PAC, ministry level monitoring and evaluation has not seen more efficient so it help those agency for monitoring and evaluation. Government has run PEFA and other financial reform projects, midterm budget evaluation, public expenditure, internal audit etc. where this research explore the area of week and need to be correct so it has implacable for public financial reform and management. It is also effective for administrative reform committee for sustainable financial reform to maintain financial accountability and discipline as promote financial governance.

**5.8 SUGGESTIONS OR RECOMMENDATIONS:** Research result and outcomes has been coming after analyzing those activities, data (primary and secondary) case or observation and focus group discussion above to conclude the opinions. There all dimension shows the room of reform in audit policy, implementations of audit process, execution of annual report of OAG, improve efficiency of audit partners,

adapts new tool and technology, and contextualize according to national situation of discipline and accountability.

- Revisited the existing policies rule and regulations for filling the gaps for making discipline and accountable financial administrations.
- Must be Issues the audit regulation, sampling guideline, other procedural directives, which has not been issued from more than century for the legalization efficient audit.
- New audit tool and technology has to applied in audit as well as issue new audit policies, law, regulation etc. and contextualize the international- regional principle, policy to national scenario financial discipline.
- Implementation of audit policy must conduct smoothly and make clear-absorbable audit policy. Audit staff and audit institutional has to be reform for efficient run the audit policy implementations.
- Follow up audit must be done on reality ground and sustainable reform in financial misconduct and undisciplined. Follow up audit not only for attentive behavior and must guarantee for not repeating the same issues again.
- Audit objection and finding of irregularities has to be settle timely for financial correction and take action on irregularities maintain record for repeating behavior of irregularities doer.
- Every year irregularities amount has been increasing and it is piling up year by year. Make sustainable financial reform and policies correction for financial accountability and discipline to long run promote financial governance.
- Improve institutional memories, records, and documents to take action against irregularities. Timely audit has needed with standardized model prescribe by audit policies.
- Fraud, corruption, public concern, stakeholder or citizen participation audit must be conduct.
- Annual audit report has to be raise relevant issues toward the financial discipline and accountability whereas government, official, PAC take action on irregularities has to execution effectively of report for best outcomes for financial governance.
- Institutional arrangement would be revisit for their effectiveness on performance and minimizing irregularities, undisciplined and misuses of public money.
- Role audit partners has to make them effective for financial governance by efficient decision, action to irregularities doer, and efficient monitoring & evaluations.
- Audit procedure has to be emphasize in performance audit, IT audit, output base audit for analysis real term of utilization national resources.
- Office of the auditor general has to be conduct preventive as well as curative action and develop institution capacity and absorption of new tool and technology.
- Report must have been transparent for create accountability, so annual audit report of OAG has to expand from single volume to issue based & subject based different volume.

## **D LIMITATION AND WAY FORWARD**

**5.9 LIMITATIONS:** I have already said in introduction chapter limitation of scope of research. Here in research just going on in the capital city data collection and limited in people whom involvement in audit, accounting and financial activities. A questionnaire had same setting for 3-type respondent. Time and cost limitation activities limit research only on 105 respondents, which have helped by homogeneous

data and mixed approach of research there, secondly we conduct studies secondary data & literatures. Observation and focus group discussion has held in qualitative research with expert and practitioners of public audit.

**5.10 WAY FORWARD FOR FURTHER RESEARCH:** Audit is scope is not limited to regularities audit only, but audit must meet the need of people and national policy's expectation toward non-corruption society with maximum benefit. Above research show that policy are almost adequate, however, to room of improvement as well as to need some policy in new sector, sampling sector and testing tool determination. There are a number of recurring same agendas every year and increasing continuously which has been addressed and settle through the follow up audit however repeating with increment has over rising huge amount year by year. Above research has shown that effectiveness of public sector audit policy has maintain financial accountability and discipline.

People participatory audit has been starting for transparency accountability and financial discipline. Raising question on audit's effectiveness toward the audit policy expectation and national need, so audit has to be look multidimensional area. Auditor General Nepal has not been yet started the forensics auditing to reduce corruption through the best practice of audit. Therefore, there should be needed further more study what extent auditor in the present condition pattern of annual audit has co-related their audit finding the fraud or corruption to eliminate the financial indiscipline. Another one gray area of research is a new modality of audit as Gender, IT, Environmental, disaster and citizen participation audit's effectiveness & best outcomes of national financial investment maintain discipline in PFM. In addition, increasing and recurring irregularities efficient their interlinking to reward and disciplinary action of financial administration with an audit risk analysis.

Research has conduct in periphery of audit, account and related official who have directly and indirectly involvement in audit findings and outcomes. I prescribe to researcher way forward for the further research, which conduct in multi-faceted approach on impact of extension field to rural and urban citizens for best outcomes from financial discipline on national resource best utilizations. In social research time and situation might get different results on the same variable, on this research I feel some addition in the field of financial governance as knowledge of audit, accountability, discipline & financial discipline. Hoping that further research will be boost up on field of financial fairness.

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## ANNEX

## RESEARCH TOOLS

### ANNEX-1

#### **OBSERVATION AREA/STUDY**

- a** Operational system of accounting, disbursement of budget, accounting and reporting pattern of CAG.
- b** Accounting and auditing system that has responsive toward audit finding and corrective action.
- c** Practice and operational system of public sector audit of Nepal conducted by OAG.
- d** Foundation of auditing and accounting infrastructure for maintaining accountability and discipline in rule, regulation, other guideline.
- e** Role of government and audit partners toward audit report and establishing financial governance.
- f** Professional negligence & cautioners of financial staff and their absorption capacity for being accountability, transparency and responsiveness for public money.
- g** Problem identified, purified & settlement behavior or corrective attitudes in financial system or policy staff.
- h** Controlling system of internal & external auditing, internal control system, and Good governance practice of public official.
- i** Action and inaction system of irregularities and misuses of resource by actor\
- j** Cross check system & check and balance system of financial activities.

**Dear Respective Expert / politician**

**Subject: Request for opinion on discussion subject**

Sir/ Madam,

In the respect of partial fulfillment of the Master in Philosophy (MPhil) in public administration program conduct by Central Department of Public Administration, Management Faculty, Tribhuvan University, I going to conduct research in **"Effectiveness of Public-sector Audit Policy to maintain financial Accountability and Discipline in Nepal"**. The aim of research is to determine importance or value of audit policy and process for responsible, accountable & maintain discipline of public official. I humbly request you for your valuable contribution to give some opinion on following discussion subject. Once again I sincerely thanks for taking your valuable time, with hoping research will add one further step on those topics. Thanks for your co-operation and goodness.

**Yours Sincerely**

Ajaya Kumar Sapkota  
 MPhil Scholar  
 Central Department of Public Administration

These discussion topics and your opinions are only applicable in the respect of partial fulfillment of the Master in Philosophy (MPhil) in public administration program conduct by Central Department of Public Administration of Faculty of Management, Tribhuvan University. The sake of research ethics all the information you provide would keep secret.

**QUESTIONNAIRES FOR DISCUSSION WITH EXPERT AND POLITICIANS**

- A Has the effectiveness of public sector audit policy played a major role in maintaining financial discipline and accountability in the public sector?** (क्या सार्वजनिक क्षेत्रको निरीक्षण नीति सार्वजनिक क्षेत्रको वित्तीय अनुशासन र जवाबदेहीको लागि महत्वपूर्ण भूमिका खेलेको छ?)
- B Current scenario of financial policy, auditing policy, financial framework, controlling mechanism are adequate for maintain financial discipline/governance?** (वित्तीय नीति, निरीक्षण नीति, वित्तीय ढाँचा, नियन्त्रण तंत्रहरू वित्तीय अनुशासन/शासनको लागि पर्याप्त छन् कि?)
- C The trend of audit issues has been similar, recurring and increasing for more than half a century, although each year, a few irregularities have been resolved through follow-up audits. What are the main responsible roles of auditors, clients / auditors, accountants, accounting officers, responsible persons and accountable persons or politicians or auditing partners for what, why and how?** (क्या निरीक्षण विषयहरूको प्रवृत्ति अर्धशताब्दीभन्दा बढी समयदेखि समान, दोहोरिने र बढ्दो रहेको छ, यद्यपि प्रत्येक वर्ष, केही अनियमितताहरू अनुसन्धानी निरीक्षणहरूको माध्यमबाट समाधान भएका छन्। निरीक्षक, ग्राहक/निरीक्षक, accountants, accounting officers, responsible persons and accountable persons or politicians or auditing partners को मुख्य जिम्मेवारीहरू के, किन र कसरी छन्?)





















3.7	<p><b>Yearly has been repeating &amp; increasing similar audit objections irregularities volume, which indicate the poor financial discipline, non-accountability, inefficient financial control, inefficient policy execution &amp; not maintain governance.</b> ( )</p>					
3.8	<p><b>Institutional memory has important for further corrective action and improvement of efficiency, that is historical background for new way and direction. Record of irregularities of offices known as 'Lagat Kitab'.Government and auditing office both have no record of person who repeated same irregularities many times and record of action. There has not record of 'account responsible person' and 'responsible person', who has regularizes the irregularities without taking action against those involve in irregularities according to act. Can we say...?</b> ( )</p>					
3.8.1	<p><b>Institutional memories of personnel &amp; people, who has involve in financial irregularities make positive effects to accountability and discipline.</b> ( )</p>					
3.8.2	<p><b>Current audit policy has responsible for not maintaining institution record and enforce financial accountability.</b> ( )</p>					
3.8.3	<p><b>Government has irresponsible to executing audit result, which influence financial accountability.</b> ( )</p>					
3.8.4	<p><b>Poor institutional system has backing for this.</b> ( )</p>					
3.8.5	<p><b>Political system and leder has not serious for irregularities raise by audit.</b> ( )</p>					
3.9	<p><b>The audit issue or result are settlement through the follow up audit that has provision in audit policy. Every year huge amount of irregularities are increased and every year repeated the same issue settled through follow up audit.Can we say...?</b> ( )</p>					









	<p>आयुक्त आयोग के द्वारा जारी किए गए दो दशक पुराने अविनियमितताओं की राशि का निपटारा करने में सरकार के अयोग्यता का उल्लेख है। (आयुक्त आयोग के द्वारा जारी किए गए दो दशक पुराने अविनियमितताओं की राशि का निपटारा करने में सरकार के अयोग्यता का उल्लेख है।)</p>					
4.8	<p><b>Auditor general has still to settling the two-decade old irregularities amount of audit findings, that has been left amount after transferring irregularities settlement amount to government agency (kendriya tahashil karayalya ). It shows audit report has not execution properly by agency with accountability to people.</b> (आयुक्त आयोग के द्वारा जारी किए गए दो दशक पुराने अविनियमितताओं की राशि का निपटारा करने में सरकार के अयोग्यता का उल्लेख है।)</p>					
4.9	<p><b>Main and last agency through which taking corrective action against objections raised in the auditor general report is 'Public Accounts committee'. Discussion to settling irregularities amount &amp; issues has still pending for many years, or not regular &amp; smoothly discussion has held. So that accountability to public financial governance has been affecting.</b> (आयुक्त आयोग के द्वारा जारी किए गए दो दशक पुराने अविनियमितताओं की राशि का निपटारा करने में सरकार के अयोग्यता का उल्लेख है।)</p>					
4.1 0	<p><b>To make readable auditor general has issued only one volume of the report. Sectorial and issue wise different report is not issue for further-more detail data to people, reader, researcher. Financial sector transparency and accountability has been minimized.</b> (आयुक्त आयोग के द्वारा जारी किए गए दो दशक पुराने अविनियमितताओं की राशि का निपटारा करने में सरकार के अयोग्यता का उल्लेख है।)</p>					
4.1 1	<p><b>Auditor General annual report is repeating common/same issues every year, that situation shows the audit policy has difficulties to maintain accountability.</b> (आयुक्त आयोग के द्वारा जारी किए गए दो दशक पुराने अविनियमितताओं की राशि का निपटारा करने में सरकार के अयोग्यता का उल्लेख है।)</p>					
4.1 2	<p><b>Contemporary audit policy has deficiencies to maintain a sound relation and accountability toward the public &amp; financial governance, which</b></p>					



















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\*\*Remark: Here, in research are put the value for strongly agree, agree, partially agree, disagree and unknown is 5, 4, 3, 2, 1 respectively for the purpose of evaluation and statically analysis as multiple response rinses likers scale.

**Thank you very much for your valuable response.**

## AUDIT POLICY IN LAW

1 **CONSTITUTIONAL PROVISION:** "The remuneration and conditions of service of the Auditor General shall be as provided for in the Federal law. The remuneration and conditions of service of the Auditor General shall not, so long as he or she holds office, be altered to his or her disadvantage. Provided that this provision shall not apply in cases where a state of emergency is declared because of extreme economic disarrays." is Provision of constitution (2072) of Nepal. This provision and Salary or benefit has same, as Judge of Supreme Court are continuation from 2007 with adding some provision. E.g., extreme economic disarrays, after retirement appointment in post of politics, investigation and research. After 2063, there is provision to Parliamentary hearing on a proposed chief and member of constitutional body before appointment after 2072 Parliamentary, supervision and monitoring in constitutional body, Chief and office bearers are accountable to parliament in their work and parliament monitoring work and reporting of them etc. These ways of audit, procedure and subjects are paradigm shifted. (Detail in Anax-1)

Constitution of Nepal (2072) mention that 241. Functions, duties and powers of Auditor-General: (1) The accounts of all Federal and State Government Offices including the Office of the President, Office of the Vice-President, Supreme Court, Federal Parliament, State Assembly, State Government, Local level, Constitutional Bodies and Offices thereof, Courts, Office of the Attorney General, Nepal Army, Nepal Police and Armed Police Force, Nepal shall be audited by the Auditor-General in accordance with law, having regard to, inter alia, the regularity, economy, efficiency, effectiveness and the propriety thereof. (2) The Auditor General shall be consulted in the matter of appointment of an auditor to carry out the audit of a corporate body of which the Government of Nepal or State Government owns more than fifty percent of the shares or assets. The Auditor General may also issue necessary directives setting forth the principles for carrying out the audit of such corporate body. (3) The Auditor General shall, at all times, have power to examine any books of accounts for the purpose of carrying out the functions under clause (1). It shall be the duty of the concerned chief of office to provide all such documents and information as may be demanded by the Auditor General or any of his or her employees. (4) The accounts to be audited pursuant to clause (1) shall be maintained in the form prescribed by the Auditor General, as provided for in the Federal law. (5) In addition to the accounts of the offices mentioned in clause (1), the Federal law may also require the accounts of any other offices or bodies to be audited by the Auditor General.

2 **First Audit act 2018 (1962)** has provided in article 3 'Audit related right of Auditor General: (1) The Auditor General may conduct final audit of the financial activities and other activities relating thereto of the offices, bodies or organizations under its jurisdiction, either in detail or sporadically or a random basis and present the facts obtained therefrom, make critical comments thereon and submit its reports. (2) In other prevailing Nepali laws, the audits of any government office are audits by the Accountant General or Auditor, and even if the Accountant General or Auditor is audit later, it is the duty and right of the Auditor General to submit the final report to His Majesty the King. Article (7): Matters to be audited in View of Propriety : (1) The Auditor General shall audit following matters considering the propriety thereof-(a) On the propriety of any expenditure and its authorization, if in the opinion of the Auditor General such expenditure is a reckless one or is an abuse of national property, whether movable or

immovable, despite that the expenditure confirms to the authorization, and(b) On the propriety of all authorizations issued in respect of any grant of national property whether movable or immovable, fixed or current, or underwriting of any revenue, or any contract, license or permits relating to mining, forest, water resources, etc. and any other act of abandoning movable or immovable, assets of the nation. (2) The Auditor General may not include in the report minor items of discrepancy and other items deemed as insignificant in view of their property, which were observed during the audit of income and expenditure. Article (6) has provision of audit matter and it 6 categories and article (3) (5) has provision to audit of corporate bodies by Auditor general and matter to be audited in view of property respectively which is most of issue are common with act 2018. Here matter to be audited is extension in article (4); Matters to be audited : The Auditor General, with due regard to their regularity, economy, efficiency, effectiveness and propriety, shall audit following matters to ascertain whether: (a) the amount appropriated in the concerned heads and subheads by the Appropriation Act for respective service sand activities have been expended for the specified purposes of designated services or activities within the approved limit;(b) the financial transactions comply with the existing law sand the evidence relating to items of income and expenditure are sufficient;(c) the accounts have been maintained in the prescribed forms and such accounts fairly represent the position of the transactions;(d) the inventory of government assets is accurate and up to date and the arrangement for protection and management of governmental property is adequate;(e) the arrangements for internal audit and internal control of cash, kind and other governmental property against any loss, damage and abuse are adequate and if so, are they pursued; (f) the accounts of revenue, all other incomes and deposits are correct and the rules relating to evaluation, realization and methods of book keeping are adequate and if so, are they followed; debt relief fund and the amounts set aside for debt services and repayment of debts are accurate; (h) The accounts of income and expenditure of industrial and business services, and their balance of cash and kind, and the arrangements and rules relating to their financial transactions are adequate and if so, are they observed; (i) The organization, management and job allocation of the office are sufficient and proper and are that operating accordingly;(j) Any function is being unnecessarily performed in duplication by any employee or agency or any essential function is being omitted; (k) The available resources, means and assets are properly utilized and the maintenance and perspiration thereof against any loss or damage has been properly arranged;(l) The progress has been achieved within scheduled time and the quality and quantity of the work is satisfactory; (m) The objective and policy of the Office is explicit and the program is delineated conforming to the specified objective and policy; (n) The program is being implemented within the limits of approved cost estimate and the proceeds received in comparison to the cost is reasonable;

- 3 **Second Audit act 2048(1991)** article (3) has provision of Method of Audit.
- 4 **THIRD Audit act 2075(2019)** has continuation the former act provision and added some provision. Defining Account Relating Document as strategic, yearly, periodic plan, action plan, decision, agreement and negotiation paper, progress report, monitoring and evaluation paper, audit related other document and data or information stored in electronic system, Audit local and province level, Financial and miscellaneous audit (IT-audit, Technology audit, Science audit, Environment audit, concurrent audit, Grant and loan audit) and charging fee of audit to cooperative bodies are the new aspect of audit.
- 5 Other financial act such as Financial procedural act 2055 and Financial-Procedure-and-Financial-Accountability-Act-2076 has provision Auditing, internal control and audit of transactions, different irregularities control, monitoring and Clarence committee as well

defining various financial terminology and accountability of finance audit, format of accounting and auditing etc. Office of the auditor general has released different guidelines from 2055 to still 2077, which are financial, revenue, procurement, quality assurance, performance audit, environment, disaster management audit, citizen participation audit, IT audit. Government audit operational guideline, Audit standard, general audit guideline are issued. These all act and guideline has changed the modality and aspect of audit and addresses the need Present society and new aspect and way of changing world and international intuitions guideline.

## PROVISION FOR IRREGULARITIES SETTLEMENT COMMITTEES

TABLE 31 PROVISION FOR IRREGULARITIES SETTLEMENT COMMITTEES

s. no.	committee	provision
1	public account committee	The House of Representatives Rule, 2075, rule 170 governs the public account committee, which is a requirement of the Nepali Constitution. The annual report of the Auditor General is a subject of debate for the Public Account Committee. The use and abuse of public property, proposed revenue & expenditure, monitoring, evaluation, and reporting to the House of Representatives are all topics of importance for the ministry. In accordance with rule (175), the committee has held discussions and made decisions regarding the report, as well as examined irregularities identified in the Auditor General's Final Audit Report and examined whether or not the Auditor General's work and the work of the audit entity went beyond the bounds of the law and was justified.
2	Irregularity Settlement Evaluation and Monitoring Committee	Financial procedural rule 2064, rule (one hundred and one) In chairmanship of standard secretary of presidency construct irregularity settlement assessment and monitoring committee wherein member are secretary of ministry of finance & general management, comptroller treasury and member secretary is nominated by using ministry of council has responsibility and responsibilities to monitoring sports of irregularities of government and discussion with subject workplace and motion against them , yearly file to ministry of council. a hundred and one. Irregularity settlement evaluation and monitoring Committee: (1) The government of Nepal might also form an irregularity agreement evaluation and tracking committee to result in effectiveness in the acts and moves relating to the settlement of irregularities by using monitoring the agreement of irregularities finished via the office. (2) The Committee stated in Sub-rule (1) shall encompass the following chairman and contributors : (a) leader Secretary –Chairperson (b) Secretary, Ministry of Finance – Member (c) Secretary, Ministry of popular administration – Member (d) The financial Comptroller standard –Member (e) a person nominated through the government of Nepal –Member - Secretary(3) The capabilities, duties and powers of the committee mentioned in Sub-rule (1) shall be as follows : (a) To take a look at and examine the movement of the Ministry, Secretariat, department or workplaces regarding the agreement of irregularities, (b) To require the chief of the Ministry, Secretariat or branch which settles the set irregularities in lower degree or does not settle them to seem before the committee and keep discussions with him, (c) To direct the concerned Ministry to do so, on the basis of the evolution, against the workplace In-price and the employee who do no longer settle, or purpose to be settled, the set irregularities, and make advice to the government of Nepal to take departmental movement towards the debts accountable

		<p>Officer if he is located not to have taken movement as in keeping with the path so given, (d) to provide vital route to the involved Ministry, Secretariat or branch to settle the irregularities, and display as to whether or not movement at the agreement of irregularities has been initiated or no longer, or the abnormal amounts held to be recoverable have been recovered or not inside the special time or whether the equal has been sent to the primary revenue collection office or not, (e) To put together a development report of the concerned Ministry, Secretariat or branch in respect of the acts and movements referring to the agreement of irregularities in every six months and submit such record to the office of the high Minister and Council of Ministers and publish a every year record to the Council of Ministers. (four) The remuneration and emoluments of the member-secretary of the committee below Sub-rule (1) will be as prescribed by way of the government of Nepal.</p>
3	Irregularity amount Settlement Evaluation and Monitoring Committee	<p>Formation of irregular amounts settlement committee: (1) The Government of Nepal may, on the advice of the public accounts committee and the Auditor General, form an Irregular Amounts Settlement Committee consisting of the following persons as its members, from time to time, by a Notification in the Nepal Gazette for the settlement of irregular amounts that could not be settled through normal procedures. (a) A member of the committee as designated by the public accounts committee –Chairperson (b) Joint Auditor General or Deputy Auditor General designated by the Auditor General –Member (c) Secretary at the Ministry or at least Gazette first class officer designated by him or her - Member(d) Financial Comptroller General or at least Gazette first class officer on accounts designated by him or her –Member (e) Office Head of Kumari Chock and Tahasil Karalaya-Member secretary (2) The terms of reference of the Irregular Amounts Settlement Committee formed pursuant to Sub-section (1) shall be as prescribed by the Government of Nepal. (2) The procedures to be followed in settling irregular amount by the Irregular Amounts Settlement Committee formed pursuant to Sub-section (1) shall be as prescribed. 24. Functions, duties and powers of Irregular Amounts Settlement Committee: The functions, duties and powers of the Irregular Amounts Settlement Committee formed pursuant to Section 23 shall be as follows: (a) If, in respect of such irregular amounts under any constitutional organ or body, ministry, secretariat, department, court or office as could not be settled and verified through normal regular procedures, other than the irregular amounts fount to have been misappropriated, embezzled and to be recoverable as found from audit, a recommendation is made by the concerned constitutional organ or body, ministry or secretariat for the settlement of such irregular amounts, such irregular amounts shall be regularizes or remitted on the basis of propriety and records of such irregular amounts shall be obliterated. (b) If the settlement of the irregular amounts recommended for settlement pursuant to Clause (a) cannot be</p>

		settled, the concerned constitutional body or organ, ministry, secretariat, department, court or office shall be written to regularize or recover the irregular amounts.
4	Adhoc committee	Different time Government and ministry wise ad hoc basis committee constructed for settlement of irregularities and Government time -timely decision as irregularities eradication decision and committee where crate general norms and written off irregularities which are not settle. Ministry of council decide to settle all irregularities up to 2038 B.S. in 2042 B.S. (Berugu Bemakha Decision)
Develop by Researcher after studying differernt literature		

## AUDITING PROVISION OF SAARC NATIONS SAIS

TABLE 32 AUDITING PROVISION OF SAARC NATIONS SAIS				
<b>S. no.</b>	<b>Name of the Country</b>	<b>Constitutional provision</b>	<b>Audit act, guideline, and manual ( policy)</b>	<b>Vision and Mission</b>

1.	Afghanistan	<p><b><u>Constitution of Afghanistan, 2004- No any Constitution provision of Auditing Supreme Audit Office law, 2012; article; Auditor General of Afghanistan</u></b></p> <p>-The Supreme Audit Office is the only Supreme authority that audits accounting and financial activities of entities and organizations include all government entities and public enterprise or cooperative by law independently, responsibly and impartially, within the scope of provisions of audit laws</p> <p>-The Auditor General shall report on government financial statement of Account of the last fiscal year within six months of next year to the President and National Assembly.</p> <p>-Auditor shall not audited organization where they involving to investment, shareholding or accounting and documenting organization.</p>	<ul style="list-style-type: none"> <li>• Audit law and regulation</li> <li>• Audit Policy</li> <li>• Supreme Audit Office Law</li> <li>• Supreme Audit Office Regulation</li> <li>• Internal audit department Regulation</li> <li>• Audit Policy</li> </ul>	<p>"Mission-Conduct audits on annual financial statement, annual Government statement and provide recommendations about it. Execute audits on financial and accounting affairs particularly on compliance of revenue and expenditures in the organizations, enterprises and institutions. Execute special audits in the organizations based on presidential decree. Conduct audit and provide recommendation about financial statements and foreign aids, which are spent through the Government budget. Conduct audits on accounting and financial affairs of franchisee/branches of public enterprises abroad. Audit the internal audit departments of the ministries and public organizations. <b>Vision</b>-We endeavor to become a model and pioneer supreme audit institution and contribute to improved, accountable and transparent public resources through independent, credible, balanced and timely audit reporting." (Supreme Audit Office Afghanistan, n.d.)</p>
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	<p><b>Other provision;</b></p> <ul style="list-style-type: none"> <li>• "The Control and Audit Office to make an impact and to secure public support and a belief in the government's dedication to take effective action in government of Afghanistan's fight against corruption, audit reports not deemed law enforcement or national security sensitive; need to be made available to the public." (Afghanistan, 2010,p-17)</li> <li>• "As per the international good practices and the principles enunciated by the INTOSAI1 , public sector audit is concerned with assuring the stakeholders concerning accountability and transparency in the financial management, operations, and performance by the government and its agencies and personnel, including safeguarding the public interest and public assets and in ensuring overall good governance. ....ensuring accountability, transparency, and good governance in the development of the country through its external audit and audit recommendations. .... Commit to providing all necessary technical and related assistance to the auditees and the government for strengthening their internal control system and internal audit functions for efficient and effective financial management, operations, and performance and to the legislature and its committees in their scrutiny and oversight of the audit reports. "(The control and Audit office of Islamic Republic of Afghanistan, 2020, p-6)"</li> <li>• Supreme audit office audit of financial audit (audit of financial statement, and state owned enterprise and co-operative), performance audit (audit of economy, efficiency, and effectiveness of administration), operational and performance audit likewise system &amp; technology audit, audit of revenue and public service.</li> <li>• Annual audit report of supreme audit office 2019 has mention that Audit unit 492 Recoverable amounting AFs 2,069,070,048 and AFs 20,521,462,420 and USS 58610685 deemed as resettlement. There is categories of resettlement are irregularities AFs 197,889,389, different price AFs 239,353,977, cash balance owned by cashier physically not available AFs 149,918,615, amount not to be transfers in government account AFs 103,058,775, panel charge AFs 234,035,852,</li> </ul>
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2.	Bangladesh	<p><b><u>The Constitution of the People Republic of Bangladesh, 2004;Part-8, article 127-132, the Comptroller and Auditor General of Bangladesh</u></b></p> <p>-The public accounts of the Republic and of all courts of law and all authorities has audited and reported. For that purpose he or any person authorized by him in that behalf shall have access to all records, books, vouchers, documents, cash, stamps, securities, stores or other government property in the possession of any person in the service of the Republic.</p> <p>-audit of anybody corporate directly established by law prescribed by law.</p> <p>-The Auditor-General to exercise such functions, specified by law.</p> <p>-The reports of the Auditor-General relating to the Reports of public accounts of the Republic shall be submitted to the President, who shall cause them to be laid before Parliament.</p>	<ul style="list-style-type: none"> <li>• Comptroller and Auditor general Act (Additional Function), 2074,</li> <li>• The comptroller and Auditor general Act (Remuneration and Privilege), 2074</li> <li>• Bangladesh Service rules 1&amp;2</li> <li>• Government Auditing Standard of Bangladesh 2021</li> <li>• Code of Ethics, 2021</li> <li>• Quality control system in OCAG 2021</li> <li>• Financial Guideline 2021</li> <li>• Compliance Guideline 2021</li> </ul>	<p>"<b>Vision-</b> Enhancing accountability and transparency for utilization of public resources that promotes value and benefit to citizen. <b>Mission-</b>Providing independent assurance to citizens, parliament and other stakeholders on optimum management of public resources for ensuring good governance and improved public service delivery through quality audit. <b>Core value-</b>Accountability, Credibility, Trenchancy, Professionalism, Ethics" (The Comptroller and Auditor General of Bangladesh, n.d.)</p>
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		<p><b>Other provision;</b></p> <ul style="list-style-type: none"> <li>• Statutory audits are the most common types. But internal audit, interim audit and compliance audit is also prevalent in Bangladesh ... Audit strategy is followed at the time of execution of fieldwork. Auditors obtain sufficient and appropriate audit evidence at the time of audit fieldwork. .... Audit provides numerous benefits to the organization. However, there are many challenges auditors' faces. Some of the challenges are arises from internal sources and others are from external sources. Example of internal challenges are staffing problem, lack of expertise, self-interest and threat to the independence. On the other hand, external challenges arise most from the client, users and regulators. Example of outdoor challenges is client pressure, requirement of regulations, changes in regulatory environment, expectation gap. .... Audited financial statements are perceived less risky compared to the un-audited financial statements." (Rahman, 2016, p-56,57)</li> <li>• "The audit directorates and training academy placed under C&amp;AG are Commercial Audit; Local Audit; Works Audit; Foreign Aided Project Audit; Civil Audit, Audit; Post, Telephone and Telegraph Audit; Defense Audit; Mission Audit; Performance Audit and Financial Management Academy." "<i>Auditing types, systems and procedures</i> Three main types of audit are the regularity or compliance audit, financial statements audit and performance audit (value for money audit)." (National Encyclopedia of Bangladesh, "2021)</li> <li>• Compliance, Financial, Performance and special/issue wise audit reporting by office and make strategic and operational plan and citizen charter. According to report of 2014 AD. Audited 1213697950 thousand income &amp; 1054850759 thousand expenditure has settlement amount is 18608.66 thousand and 2013-14's 16377 thousand has settled. Public Account Committee 10<sup>th</sup> report mention 148 audit observation of 16 audit report and settled fully-132.23, partially-4.8, rcover-17.15, recover after instruction of PAC-48.22 thousand.</li> </ul>
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3.	Bhutan	<p><b><u>The Constitution of the kingdom of Bhutan; Article -25, The Royal Audit Authority of Bhutan</u></b></p> <p>-There shall be a Royal Audit Authority to audit and report on the economy, efficiency, and effectiveness in the use of public resources.</p> <p>-The Royal Audit Authority shall, without fear, favor, or prejudice, audit the accounts of all departments and offices of the Government</p> <p>-The Auditor General shall submit an Annual Audit Report to the Druk Gyalpo, the Prime Minister and Parliament.</p> <p>-Parliament shall appoint a five member Public Accounts Committee, comprising members of Parliament who are reputed for their integrity, to review and report on the Annual Audit Report to Parliament for its consideration or on any other report presented by the Auditor General.</p> <p>-The Royal Audit Authority shall function in accordance with the Audit Act.</p>	<ul style="list-style-type: none"> <li>• Audit Act of Bhutan 2018</li> <li>• Audit Rules &amp; Regulations 2020</li> <li>• AG's Standing Instructions</li> <li>• Competency Framework for Audit Officer</li> </ul>	<p>"Vision- A credible Supreme Audit Institution that promotes value for money and good governance in public operations and contributes towards achieving the societal aspirations of Gross National Happiness. Mission- RAA is an independent constitutional body, which contributes to accountability, transparency and effective service delivery. In the service of Tsa-Wa-Sum (the King, Country and People), we audit without fear, favor or prejudice and provide timely, reliable and quality audit services to assist effective decision making in the public sector. Core value-Accountability, Team Work, Transparency, Professionalism, Integrity."(Royal Audit Authority,Bhutan, n.d.)</p>
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		<p><b>Other provision;</b></p> <ul style="list-style-type: none"> <li>• "...Cases of non-compliances with regard to property management under all three phases – acquisition and issue, maintenance and utilization, and the disposal of properties - needs to be addressed for effective management of government properties. These non-compliances observed had resulted mainly because of the following: • Lack of awareness on the requirements of the property management; • Lack of training on the required procedures of property management; • Lack of competent personnel dealing with/for property management; and • Non-stabilization of the system ‘Asset Inventory Management System’ (AIMS)." (Royal Audit Authority, Bhutan, 2020)</li> <li>• “The RAA shall audit and report on the economy, efficiency and effectiveness in the use of public resources”. Section 69 of the Audit Act further provides that, amongst others to “carry out performance audit to examine and report on the economy, efficiency and effectiveness in public operations on selected schemes, themes or topics as may be considered necessary by the Authority”. (Royal Audit Authority, Bhutan, n.d.)</li> <li>• Bhutan has adapted international Auditign standard with accounting and auditing standard board for contexulization, Bhutan accounting standared 2015 has been executed.</li> <li>• Bhutan audit 412 unit which has unsolved issue 2051. 233 ( fraud and corruption-18.33 , embazzlement-7.837, mismanagement-42.76, non complainnce to law and rules- 408.062, short falls, lapses and deficine-1574.244 )million in 2020 and 1415.153 million in 2019.A.D..</li> </ul>
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4.	India	<p><b><u>The Constitution of India, 1950; Chapter-5, article 148-151, the Comptroller and Auditor General</u></b></p> <p>- The Comptroller and Auditor-General shall perform such duties and exercise se such powers in relation to the account of the Union and of the States and of any other authority or body as may be prescribed by or under any law make by Parliament.</p> <p>-Form of accounts of the union and of the State.-The accounts of the Union and of the States shall be kept in such form as the President may.</p> <p>-The reports of the Comptroller and Auditor-General of India relating to the accounts of the Union shall be submitted to the President, who shall cause them to be laid before each House of Parliament. The accounts of a State shall be submitted to the Governor of the Slate, who shall cause them to be laid before the Legislature of the Slate.</p>	<ul style="list-style-type: none"> <li>•Comptroller and Auditor General standing order</li> <li>•Code of ethics</li> <li>•Guideline- Guideline of IT, environment and climate change, financial audit, performance audit, fraud and corruption etc.</li> </ul>	<p>"Vision- The vision of SAI India represents what we aspire to become: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance. Mission-Our mission enunciates our current role and describes what we are doing today: Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders, the Legislature, the Executive and the Public, that public funds are being used efficiently and for the intended purposes. Core value-Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance, Independence, Objectivity, Integrity, Reliability, Professional Excellence, Transparency, Positive Approach." (The Comptroller and Auditor General of India (CAG), n.d.)</p>
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		<p><b>Other provision;</b></p> <ul style="list-style-type: none"> <li>• "Since the duties and responsibilities borne by the SAI are crucial to the concept of public accountability, the SAI must apply to his audits, methodologies and practices of the highest quality. It is incumbent upon the SAI to formulate appropriate procedures for the effective discharge of its responsibilities for auditing and ensuring full adherence by its personnel or external experts to its standards, planning procedures, methodologies and supervision."(Office of the Comptroller and Auditor General of India, p-11)</li> <li>• "Auditors shall seek to provide constructive recommendations that are likely to contribute significantly to addressing the weaknesses or problems identified by the audit .Recommendations shall be well founded and add value. They shall address the causes of problems and/or weaknesses. However, they shall be phrased in such a way that avoids truisms or simply inverting the audit conclusions and they shall not encroach on the management's responsibilities." (The Comptroller and Auditor General of India (CAG), n.d.)</li> <li>• "Accountability and transparency are two important elements of good governance. Accountability refers to the legal and reporting framework, organizational structure, strategy, procedures and actions to ensure that the SAI meets its legal obligations with regard to its audit mandate and reporting and that the SAI and its personnel can be held responsible for their actions. Transparency refers to the SAI's timely, reliable, clear and relevant public reporting on its status, mandate, strategy, activities and performance as also of the audit findings, conclusions and public access to information about the SAI. The principles of accountability and transparency are as under... SAI shall establish policies and procedures designed to provide reasonable assurance that its audits and other work are carried out in accordance with relevant standards, applicable legal and regulatory requirements, that SAI issues reports that are appropriate in the circumstances and that it has sufficient resources with the competence, capabilities and commitment to ethical principles as required to carry out its range of work." (The Comptroller and Auditor General of India (CAG),)</li> <li>• Supreme audit institution has reported on commercial audit report, government railway finances, compliance audit report on direct tax, performance audit on advance authorization etc.</li> </ul>
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5.	Pakistan	<p><b><u>Constitution of Pakistan, 2073; part-6,article 168-171, the Auditor General of the Pakistan</u></b></p> <p>-The auditor general shall relation to the account of Federal, the provinces, and any authority of body established by the federation or a province that has been perform such functions and exercise such powers as may deter-mined by or under Act of parliament.</p> <p>- The accounts of the federation and of the provinces shall be kept in such form and in accordance with such principles and method as the Auditor General may, with the approval of the president, prescribe.</p> <p>- Report of account shall submitted to president who shall cause them to be laid before the National Assembly of Federal government and to governor of Provinces</p>	<p><b>Financial Audit Guideline</b></p> <ul style="list-style-type: none"> <li>• Guidelines-IT, Defense Audit, District Audit, Federal Audit, Foreign Audit, Income Tax Audit, Railway Audit etc.</li> <li>• Code of Ethics and Auditing Standards</li> <li>• Audit Standards of pakistan</li> </ul>	<p><b>"Vision-</b>A model supreme audit institution adding value to national resources. <b>Mission-</b> Serving the nation by promoting accountability, transparency and good governance in the management and use of public resources. Core value-<b>INTEGRITY:</b> Our Way of Life, We ensure Integrity by: Conforming to ethical standards and code of conduct, Compliance of professional standards in our work, Honesty and Objectivity in carrying out our work."</p>
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		<p><b>Other provision;</b></p> <ul style="list-style-type: none"><li>• "The Auditor General's organization is the only institution mandated by the Constitution to support parliamentary oversight over the raising and utilization of public financial resources. In this capacity, the Auditor General plays a key role in ensuring accountability and transparency in the governmental operations." (Office of the Auditor General of Pakistan, n.d.)</li><li>• "The system of financial control and accountability in Pakistan follows the west minister model under which four institutions exercise financial control over public resources. These are the parliament the Treasury, the Principle Accounting Officer, who is the head of a Government department, and the Auditor General. The Auditor General plays a pivotal role in the process of accountability .... Public Account Committee is one of the most important institution to ensure accountability." (Office of the Auditor General Pakistan, 2020,p-1&amp;3)</li></ul>
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6.	Nepal	<p><b><u>Constitution of Nepal, 2072; part-22,article 240-241, the Auditor General of the Nepal</u></b></p> <p>-The accounts of all Federal and State Government, Government Local level, Constitutional Bodies and Offices thereof, the Auditor-General shall audit Courts. Accordance with law, having regard to, inter alia, the regularity, economy, efficiency, effectiveness and the propriety thereof. Power to examine any books of accounts for carrying out the functions.</p> <p>-The Auditor General appointment of an auditor to carry out the audit of a corporate body of which the Government of Nepal or State Government owns more than fifty percent of the shares or assets.</p> <p>-The Auditor General may also issue necessary directives setting forth the principles for carrying out the audit of such corporate body.</p> <p>-the Federal law may also require the accounts of any other offices or bodies to be audited by the Auditor General. Submitted report to president and it has laid to parliament.</p>	<p><b>Detail given in below</b></p>	<p>"<b>Vision-</b> Be Credible Institution in Promoting Accountability, Transparency and Integrity. <b>Mission-</b> Be Credible Institution in Promoting Accountability, Transparency and Integrity. <b>Core value-</b> Integrity,Independence, Professionalism, Transparency, Accountability" (Office of the Auditor General, Nepal, n.d.)</p> <p><b>Detail given in below</b></p>
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7.	Maldives	<p><b><u>The constitution of the republic of Maldives, 2008, Article-209-219, the Auditor General of the Maldives</u></b></p> <p>-audit, the accounts, financial statements and financial management, prepare, and publish reports on all government official, independent commission and organization as well as parliament and judiciary.</p> <p>-The Auditor General shall carry out his responsibilities and duties in accordance with the Constitution and any laws passed by the People’s Majlis.</p> <p>- Any other institution or organization required by law to be audited by the Auditor General.</p> <p>-The Auditor General shall submit audit reports and an annual report to the President and the People’s Majlis, and to any other authority prescribed by law.</p>	<ul style="list-style-type: none"> <li>• Audit Act (4/2007)</li> <li>• Strategic Plan for the period 2017-2024</li> </ul>	<p>"Motto-Auditing for Nation and citizen, Nation: Symbolizes the public resources of the country, which belong to the present and future generations of the citizens of country. Citizens: Stress the fundamental fiduciary accountability of public sector accounting and auditing is for the citizens / shareholders. FOR stresses the ultimate reason why the AGO exists and FOR what purpose. <b>Mission-</b>Audit and report to the President, the Parliament and the Citizens on the proper accounting and on the economy, efficiency and effective use of Audit and report to the President, the Parliament and the Citizens on the proper accounting and on the economy, efficiency and effective use of public resources to enhance public accountability. To whom we report to President, Parliament, and Citizens—the 3 stakeholders within the Public Accountability Cycle. Proper accounting: financial reporting and financial statements audits. Three E’s: Representing performance auditing. Enhance public accountability: what financial auditing and performance auditing should result in. <b>Vision-</b> Independent, Professional and Effective Supreme. Professional: Encapsulates the values of professional standards, i.e. integrity, independence, objectivity and impartiality, confidentiality and professional competence. Effective SAI: Results oriented, timely reporting and providing recommendations that are relevant and AGO recommendations are respected and adhered. Outcome: Public Sector Auditing should ultimately result in creating / providing value and benefits to the Nation and Citizens. Core Value- Integrity, Independence-Objectivity &amp; Impartiality, Confidentiality, Professional Competence. "(Office Of the Auditor General Islamic Republic of Maldives, n.d.)</p>
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		<p><b>Other provision;</b></p> <ul style="list-style-type: none"><li>• "Public resources to enhance public accountability. To whom we report to President, Parliament, and Citizens—the 3 stakeholders within the Public Accountability Cycle. Proper accounting: financial reporting and financial statements audits. Three E's: Representing performance auditing. Enhance public accountability: what financial auditing and performance auditing should result in. Independent, Professional and Effective Supreme. Professional: Encapsulates the values of professional standards, i.e. integrity, independence, objectivity and impartiality, confidentiality and professional competence. Effective SAI: Results oriented, timely reporting and providing recommendations that are relevant and AGO recommendations are respected and adhered. Outcome: Public Sector Auditing should ultimately result in creating / providing value and benefits to the Nation and Citizens." (Office Of the Auditor General Islamic Republic of Maldives, n.d.)</li></ul>
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8.	Sri Lanka	<p><b><u>The Constitution of the Democratic Socialist Republic of Sri Lanka, Chapter -17, Article 153-154, the Auditor General of the Sri Lanka</u></b></p> <p>-The Auditor-General shall audit the accounts of all departments of Government, the Offices of the Cabinet of Ministers, the Judicial Service Commission, the Public Service Commission, and the Parliamentary Commissioner for Administration, the Secretary-General of Parliament and the Commissioner of Elections, local authorities, public corporations and business or other undertakings vested in the Government under any written law.</p> <p>- public corporation or business or other undertaking may, with the concurrence of the Minister in charge of the subject of Finance, and in consultation with the Auditor-General, appoint a qualified auditor or auditors to audit the accounts</p> <p>- If the Auditor-General is of opinion that it is necessary to obtain assistance in the examination of any technical, professional or scientific problem relevant to the audit,</p> <p>- Every qualified auditor appointed to audit the accounts of any public corporation, or business or other undertaking, or any person authorized by such auditor shall be entitled to like access, information</p>	<ul style="list-style-type: none"> <li>• Audit Act -2018</li> <li>• Methodology: financial, forensics, Investigation, IT system, Performance, Procurement audit</li> </ul>	<p><b>"Vision-</b> To be the flag bearer of the public sector towards public accountability and good governance, <b>Mission -</b> Enhance good governance and public accountability through the conduct of audits to ensure better financial management and optimum use of public resources to maintain sustainable development" (National Audit Office, Sri Lanka, n.d.)</p>
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		<p><b>Other provision;</b></p> <ul style="list-style-type: none"> <li>• "The Auditor General through the Auditor General's Department provides an independent review of the performance and accountability of the public sector institutions and reports to Parliament. The Auditor General's Department aims to meet the needs and expectations of the Parliament, the executive and its clients and to add value to public sector performance and accountability. This independent review is thus performed to ensure the propriety, regularity and compliance with all the statutory and other regulatory requirements and the economy, efficiency and effectiveness of the operations." (National Audit Office, Sri Lanka, n.d.)</li> <li>• -"The accountability concept is nothing new or unfamiliar to Sri Lanka. There is enough historical evidence in support that the Sri Lankans, who are the heirs to a proud history of several centuries long, had actually practiced accountability and audit." (National Audit Office, Sri Lanka, n.d.)</li> </ul>
<p><i>*Constitutional Provision has acquired from that country's Constitution and website of those SAI.</i></p>		

## AUDITING PROVISION INTERNATIONAL AUDITING ORGANIZATIONS

TABLE33 AUDITING PROVISION OF INTERNATIONAL AUDIT ORGANIZATIONS

S. N.	Org aniz atio n	General aspect of Audit policy	Accountability and Transparency
1.	INTOSAI	<p>"A public policy evaluation is an examination aiming at assessing the utility of this policy. It analyses its objectives, implementation, outputs, and outcomes and impacts as systematically as possible, measures its performance in order to assess its utility. Evaluation is therefore becoming increasingly important for the public debate insofar as political leaders need to make decisions based on evidence. However, it is crucial for the evaluator not to go so far as to prescribe the policy orientation. ...In order to decide on the possibility to evaluate a policy, an evaluability assessment should be undertaken by the entity in charge of the public policy evaluation. Its main task is to define the scope of the evaluation and to determine the conditions under which the evaluation can be implemented." (INTOSAI, 2016)</p>	<p>"Principle-1-9, SAIs perform their duties under a legal framework that provides for accountability and transparency. SAIs make public their mandate, responsibilities, mission and strategy. SAIs adopt audit standards, processes and methods that are objective and transparent. SAIs apply high standards of integrity and ethics for staff of all levels. SAIs ensure that these accountability and transparency principles are not compromised when they outsource their activities. SAIs manage their operations economically, efficiently, effectively and in accordance with laws and regulations and reports publicly on these matters. SAIs report publicly on the results of their audits and on their conclusions regarding overall government activities. SAIs communicate timely and widely on their activities and audit results through the media, websites and by other means. SAIs make use of external and independent advice to enhance the quality and credibility of their work." (INTOSAI)</p>

2.	ASOSAI	<p>"Auditors should not confine the audit to 'what has been done' but should also examine 'what has not been done' to meet the policy objectives. Given the size, complexity and diversity of agency operations, it is generally impracticable to attempt to assess the overall performance of departments or agencies. Consequently, performance audits are usually directed towards specific functions, activities, programs or operations of the agency. ...Auditing standards provide minimum guidance for the auditor that helps determine the extent of audit steps and procedures that should be applied to fulfil the audit objective. They are the criteria or yardsticks against which the quality of the audit results is evaluated. The system by which businesses are run, including the responsibility of those directing the business to ensure that it is properly and honestly run." (ASOSAI, 2000)</p>	<p>"Accountability -Development of adequate information, control, evaluation and reporting systems within the government will facilitate the accountability process. Management is responsible for correctness and sufficiency of the form and content of the financial reports and other information. Appropriate authorities should ensure the promulgation of acceptable accounting standards for financial reporting and disclosure relevant to the needs of the government, and audited entities should develop specific and measurable objectives and performance targets. The responsibility for adequate and timely disclosure of any cases of fraud and corruption rest with the management and the responsibility of ensuring reliability and results of operation must include concerns arising from risk of fraud and corruption. Through its audit, the SAI must evaluate and report on the adequacy and competence with which the management has discharged this responsibility. .... In considering the portfolio of skills that the SAI should have to meet the requirements of its audit mandate, the SAI should pay particular attention to training its auditors to deal with concerns about fraud and corruption, including experience gained from past fraud and corruption cases. Training could include developing forensic auditing skills if forensic investigation is covered by the mandate of the SAI. SAIs could consider sharing of information and knowledge of techniques, procedures and skill development in order to develop expertise in this area." (ASOSAI, 29)</p>
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3.	IFAC	<p>"The auditor is required by this ISA to remain alert to the possibility that other audit procedures applied for the purpose of forming an opinion on financial statements may bring instances of non-compliance to the auditor's attention. Maintaining professional skepticism throughout the audit, as required by ISA 200, 3 is important in this context, given the extent of laws and regulations that affect the entity. 9. The auditor may have additional responsibilities under law, regulation or relevant ethical requirements regarding an entity's non-compliance with laws and regulations, which may differ from or go beyond this ISA," (IFAC)</p> <p>"The auditor should comply with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). Ethical principles governing the auditor's professional responsibilities for this type of engagement are Integrity; Objectivity; Professional competence and due care; Confidentiality; and Professional behavior. .... The auditor should ensure with representatives of the entity and, ordinarily, other specified parties who will receive copies of the report of factual findings, that there is a clear understanding regarding the agreed procedures and the conditions of the engagement." (IFAC, 2020)</p> <p>"The conceptual framework recognizes that the existence of conditions, policies and procedures established by the profession, legislation, regulation, the firm, or the employing organization might impact the identification of threats. Those conditions, policies and procedures might also be a relevant factor in the professional accountant's evaluation of whether a threat is at an acceptable level." (IESBA– Berlin, Germany, 2007 )</p>	<p>"Transparency and accountability require robust financial information. Their populations to manage their financial resources in a sensible and cost-effective way entrust governments around the world. They collect revenues, largely through taxation, and in return are expected to deliver a wide range of public services such as education, health, infrastructure and social transfers for the benefit of current and future generations. Accountability is a campaign for higher standards of public sector information around the world. Its role is to provide the catalyst for change. It challenges governments to recognize the importance of working toward financial reporting that meets international standards. The campaign includes the following initiatives: Building a global coalition – bringing together organizations that support the objective of improving transparency and accountability in the public sector Raising awareness – reinforcing the benefits of sound financial reporting to governments unconvinced of the need for change. Developing partnerships to effect change – bringing together key actors in the public sector community to take action to improve financial information in the public sector. Building capacity at a country level – through engagement with local accountancy organizations, helping to develop a pipeline of well-trained professional accountants to work with government organizations in order to bring about the change that is required." (IFAC, n.d.)</p>
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## ANNEX-8

## KEY INFORMANT INTERVIEWS (LIST OF KEY INFORMANT)

<b>S. No.</b>	<b>Profession /Digitation</b>	<b>Name</b>
<b>Former Deputy Auditor General</b>		
1.	Former DAG/OAG	Mr. Dev Bhadur Bohara
2.	Former DAG/OAG	Mr. Baburam Gautam
3.	Former DAG/OAG	Mr. Ishower Nepal
<b>Charter Accountant</b>		
1.	FCA, CPFA	Mr. Chandra Kanta Bhandari
2.	CA,FCA, Advocate, Public Procurement Instructor, Arbitrator	Mr. Bhavanath Dahal
3.	CA, Financial Management Specialist	Mr. Lila Raj Dhakal
4.	NTNC Advisor, ACCA	Mr. Kishor Regmi
5.	FCCA, CTA, Tax Advisor & Freelance lecturer, SP Accounting & Consulting Ltd, UK	Mr. Sashi Pathak
6.	MSc, CA(India), FCCA, CPFA, Consultant	Mr. Jagadish Bhattarai
7.	CA, Principle Ghairhe & Associates	Mr. Govinda Sharna Ghairhe
8.	CA, UP Dhakal & Associates, former Director OAG	Mr. Umesh Dhakal

**VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON  
DEPENDENT VARIABLE & INDEPENDENT VARIABLE**

**A Dependent Variable**

**1. Maintain financial Accountability and Discipline**

**TABLE 34** VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON DV-MFDA

<b>1.1 Constitutionally, Supreme audit institution of Nepal independent, neutral, efficiently manage organizations?</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	15	14.2	14.3	16.2
	Agree	50	47.2	47.6	63.8
	Strongly Agree	38	35.8	36.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>1.2 Contemporary legal system, law, regulations, directives, audit procedure are efficient and adequate to maintain the financial governance?</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	27	25.5	25.7	27.6
	Agree	56	52.8	53.3	81.0
	Strongly Agree	20	18.9	19.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>1.3 Financial transaction and report has been operating efficient, reliable and sufficient through the contemporary financial policies /law to have been created accountability to responsible personnel.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	26	24.5	24.8	27.6
	Agree	65	61.3	61.9	89.5
	Strongly Agree	11	10.4	10.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

<b>1.4 Contemporary audit system and policy, audit law-regulations, directives, procedure &amp; reporting pattern has address enthusiastically financial principle, so that it is efficient and adequate to maintain the financial governance.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	4.7	4.8	4.8
	Partially Agree	29	27.4	27.6	32.4
	Agree	57	53.8	54.3	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>1.5 Action &amp; inaction in audit policy as well as monitoring &amp; evaluation are important depend part for discipline through the auditing, as to Preliminary report and annual report to parliament is sufficient for financial accountability.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	33	31.1	31.4	35.2
	Agree	48	45.3	45.7	81.0
	Strongly Agree	20	18.9	19.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>1.6 For financial accountability, auditor general office must issue the final audit report after the issuing preliminary audit report with addressing the response of client</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.5	7.6	7.6
	Partially Agree	19	17.9	18.1	25.7
	Agree	47	44.3	44.8	70.5
	Strongly Agree	31	29.2	29.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>1.7 The prevailing financial procedural law-regulations, directives meet international standard of reporting and governance.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	34	32.1	32.4	38.1
	Agree	40	37.7	38.1	76.2

	Strongly Agree	25	23.6	23.8	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

**1.8 Issue raising, subject matter explore in public on auditor report has sufficient for the accountability and financial discipline.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Disagree	9	8.5	8.6	9.5
	Partially Agree	37	34.9	35.2	44.8
	Agree	38	35.8	36.2	81.0
	Strongly Agree	20	18.9	19.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

**1.9 Audit Reports are products of audit policies has represent & indicator mark of financial fairness on the financial discipline and accountability of public offices and officials.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	24	22.6	22.9	25.7
	Agree	53	50.0	50.5	76.2
	Strongly Agree	25	23.6	23.8	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

**1.10 Present audit objection or result has been correlated with audit policy has been delivered accountability in financial fairness.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	30	28.3	28.6	34.3
	Agree	44	41.5	41.9	76.2
	Strongly Agree	25	23.6	23.8	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

**1.11 Audit policy has maintained accountability and discipline. With the help of better intuitionism, PAC reactivity, effectiveness in role of audit partner, auditor's own policy paper and quality assurance mechanism, government's check and balance in finance.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7

	Partially Agree	21	19.8	20.0	<b>25.7</b>
	Agree	53	50.0	50.5	<b>76.2</b>
	Strongly Agree	25	23.6	23.8	<b>100.0</b>
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

## **B Independent variable**

### 2. **Effectiveness of public sector Audit policy**

**TABLE 35 VALIDITY FREQUENCY OF QUESTIONNAIRE 'RESNSIS LIKERT SCALE' ON DV-EOPSAP**

2.1 The current audit policy, laws, rules, procedures, and guidelines are adequate, consistent, absorbable, and reliable for effectiveness.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	33	31.1	31.4	33.3
	Agree	46	43.4	43.8	77.1
	Strongly Agree	24	22.6	22.9	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.2 The current audit policy laws, rules, procedures, and guidelines are simple, clear, understandable, efficiently enforceable, and unambiguous for implementation and acquiring result.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.5	7.6	7.6
	Partially Agree	28	26.4	26.7	34.3
	Agree	55	51.9	52.4	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.3 The current audit policy laws, rules, procedures, and guidelines has guarantee to taking action on irregularities for financial discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	44	41.5	41.9	47.6
	Agree	37	34.9	35.2	82.9
	Strongly Agree	18	17.0	17.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.4 The current audit policy laws, rules, procedures, and guidelines likewise other financial law are proper, appropriate and effective management of audit supervision and reviewing.					

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	38	35.8	36.2	41.9
	Agree	46	43.4	43.8	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

2.5 Has the current audit policy laws, rules, procedures, and guidelines efficiently proper management of public official to creating their accountability to maintain financial discipline.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Disagree	6	5.7	5.7	6.7
	Partially Agree	39	36.8	37.1	43.8
	Agree	47	44.3	44.8	88.6
	Strongly Agree	12	11.3	11.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

2.6 The current audit policy laws, rules, procedures, and guidelines has efficiently enforce to correct financial error of audit finding through taking legal action and maintain record for regulator for financial unfairness?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Disagree	7	6.6	6.7	7.6
	Partially Agree	42	39.6	40.0	47.6
	Agree	40	37.7	38.1	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

2.7 The current audit policy laws, rules, procedures, and guidelines are efficiently monitoring and supervision of execution of audit report.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	6.6	6.7	6.7
	Partially Agree	46	43.4	43.8	50.5
	Agree	39	36.8	37.1	87.6
	Strongly Agree	13	12.3	12.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

2.8 The transformative audit policies from international organization- INTOSAI, ASOSAI, IFAC etc. are implementable, contextual and relative to national financial condition according to irregularities level, situation of institutional check & balance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	2	1.9	1.9	1.9
	Disagree	2	1.9	1.9	3.8
	Partially Agree	42	39.6	40.0	43.8
	Agree	44	41.5	41.9	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.9 Yearly assessment of audit quality assurance system and three-year cyclically reviewing the every auditor's audit files has been reliable for quality enhance and increasing efficiency of public audit?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	4.7	4.8	4.8
	Partially Agree	42	39.6	40.0	44.8
	Agree	48	45.3	45.7	90.5
	Strongly Agree	10	9.4	9.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.10 The Auditor General's Audit quality assurance system is sufficient to advise, maintain or improve, implement quality control and effective audit tools and technology.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	11	10.4	10.5	10.5
	Partially Agree	29	27.4	27.6	38.1
	Agree	51	48.1	48.6	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.11 There is adequate, reliable and complete system base of supervision and monitoring for implementation of audit policy & getting result.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	10	9.4	9.5	9.5
	Partially Agree	46	43.4	43.8	53.3
	Agree	38	35.8	36.2	89.5
	Strongly Agree	11	10.4	10.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		

Total		106	100.0		
2.12 It would be sufficient to establish financial discipline by auditing through checklist and desk audit (Reporting on basis of internal audit and other financial statement).					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Disagree	11	10.4	10.5	11.4
	Partially Agree	38	35.8	36.2	47.6
	Agree	44	41.5	41.9	89.5
	Strongly Agree	11	10.4	10.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.13 Regularly has increasing and repeating similar financial irregularities, which are partially resolved through follow-up audits. There have some barriers to maintaining financial discipline in contemporary audit policy.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	35	33.0	33.3	37.1
	Agree	44	41.5	41.9	79.0
	Strongly Agree	22	20.8	21.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.14 The current audit policy cycle has efficiently managed to maintain financial discipline and create accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	31	29.2	29.5	35.2
	Agree	51	48.1	48.6	83.8
	Strongly Agree	17	16.0	16.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.15 Generally, to qualitative control & maintaining discipline in auditing system has provision for reviewing the audit file at least in two levels internationally. Audit manager has conducted a field audit these past years that has shadowed and weaken review					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	44	41.5	41.9	45.7
	Agree	43	40.6	41.0	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	

Missing	System	1	.9		
Total		106	100.0		
2.16 Now different level staff have executed auditing. Audit standard has not fixing the scope, demarcation of amount-time-scope-complexity of transection to lead by different level auditing staff. Can we say...?					
2.16.1 There is some audit policy are led by unfair justice and unstable.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	7	6.6	6.7	6.7
	Disagree	25	23.6	23.8	30.5
	Partially Agree	30	28.3	28.6	59.0
	Agree	30	28.3	28.6	87.6
	Strongly Agree	13	12.3	12.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.16.2 These make negative impact in discipline maintain, uniformity, creating accountability & financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	2	1.9	1.9	1.9
	Disagree	18	17.0	17.1	19.0
	Partially Agree	38	35.8	36.2	55.2
	Agree	35	33.0	33.3	88.6
	Strongly Agree	12	11.3	11.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
2.17 Financial procedural and accountability act 2074 and act prevailing above those periods has provision of eliminating all irregularities or audit objection within the three years, however irregularities or objection raised by the auditor general reports 2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	4	3.8	3.8	3.8
	Disagree	7	6.6	6.7	10.5
	Partially Agree	28	26.4	26.7	37.1
	Agree	49	46.2	46.7	83.8
	Strongly Agree	17	16.0	16.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

### 3. Effectiveness of Implementation Audit policy

TABLE 36 VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON IV-EOIAP

3.1 The current audit policy laws, rules, procedures, and guidelines are effective for fixing, determining, refining, selecting, and execution of audit risk					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.9	2.9	2.9
	Partially Agree	26	24.8	24.8	27.6
	Agree	56	53.3	53.3	81.0
	Strongly Agree	20	19.0	19.0	100.0
	Total	105	100.0	100.0	
.2 Different level of inherent, control and residual risk that has implemented in audit plan. Public expectation and issue should be considering by auditor. These situations, audits has to maintaining risk register ledger and assessments system. Can we say...?					
3.2.1 There is appropriate system of risk finding, risk register and risk evaluation.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	4.8	4.8	4.8
	Partially Agree	36	34.3	34.3	39.0
	Agree	54	51.4	51.4	90.5
	Strongly Agree	10	9.5	9.5	100.0
	Total	105	100.0	100.0	
3.2.2 Assume that current system of risk assessments are advocacy of public concern and diverting to public accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	1.0	1.0	1.0
	Disagree	6	5.7	5.7	6.7
	Partially Agree	38	36.2	36.2	42.9
	Agree	53	50.5	50.5	93.3
	Strongly Agree	7	6.7	6.7	100.0
	Total	105	100.0	100.0	
3.2.3 Audit risk assessing system has determined auditing model for different tier/ level of government and institution. It is proper audit policy to directed and reliable for maintaining accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	2	1.9	1.9	1.9
	Disagree	7	6.7	6.7	8.6
	Partially Agree	38	36.2	36.2	44.8
	Agree	46	43.8	43.8	88.6
	Strongly Agree	12	11.4	11.4	100.0
	Total	105	100.0	100.0	
3.3 Current system of risk assessment is to planning has been successful for maintaining financial discipline and accountability?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.6	7.6	7.6
	Partially Agree	48	45.7	45.7	53.3

	Agree	37	35.2	35.2	88.6
	Strongly Agree	12	11.4	11.4	100.0
	Total	105	100.0	100.0	
3.4 Part of audit policy cycle, it run smoothly with professional due care, neutrality, objectivity, impartiality implementation of audit policy.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	1.0	1.0	1.0
	Disagree	9	8.6	8.6	9.5
	Partially Agree	37	35.2	35.2	44.8
	Agree	49	46.7	46.7	91.4
	Strongly Agree	9	8.6	8.6	100.0
	Total	105	100.0	100.0	
3.5 Current audit process (from audit risk assessments, planning, execution of planning, fact finding) are deliver the proper outcomes that expected by financial soundness.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.6	7.6	7.6
	Partially Agree	42	40.0	40.0	47.6
	Agree	38	36.2	36.2	83.8
	Strongly Agree	17	16.2	16.2	100.0
	Total	105	100.0	100.0	
3.6 Institutional strengthens, personnel capacity & system base activities has importance for reliable outcomes or product. Audit staff and institution mechanism has to deliver the audit finding to maintain financial discipline. Can we say...?					
3.6.1 Auditing staff has qualified, vocational skill, IT knowledge and relative education to their field sufficient.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	6.7	6.7	6.7
	Partially Agree	31	29.5	29.5	36.2
	Agree	54	51.4	51.4	87.6
	Strongly Agree	13	12.4	12.4	100.0
	Total	105	100.0	100.0	
3.6.2 Has fair, relative and adequate training system for auditing to auditor.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	2	1.9	1.9	1.9
	Disagree	11	10.5	10.5	12.4
	Partially Agree	44	41.9	41.9	54.3
	Agree	38	36.2	36.2	90.5
	Strongly Agree	10	9.5	9.5	100.0
	Total	105	100.0	100.0	
3.6.3 Efficiency and capabilities of institutional system is to explore all type of irregularities and fraud to maintain discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Unknown	1	1.0	1.0	1.0
	Disagree	10	9.5	9.5	10.5
	Partially Agree	34	32.4	32.4	42.9
	Agree	48	45.7	45.7	88.6
	Strongly Agree	12	11.4	11.4	100.0
	Total	105	100.0	100.0	
3.6.4 Efficiently contextualizing international transformative audit system & policy nationally.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	1.0	1.0	1.0
	Disagree	6	5.7	5.7	6.7
	Partially Agree	40	38.1	38.1	44.8
	Agree	46	43.8	43.8	88.6
	Strongly Agree	12	11.4	11.4	100.0
	Total	105	100.0	100.0	
3.6.5 Auditor and audit entity has properly absorption capacity of transformative audit policy.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	1.0	1.0	1.0
	Disagree	6	5.7	5.7	6.7
	Partially Agree	42	40.0	40.0	46.7
	Agree	40	38.1	38.1	84.8
	Strongly Agree	16	15.2	15.2	100.0
	Total	105	100.0	100.0	
3.6.6 Human resource management system, infrastructures, budgets, reporting skill are sufficient for audit policy's effectiveness.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	1.0	1.0	1.0
	Disagree	10	9.5	9.5	10.5
	Partially Agree	47	44.8	44.8	55.2
	Agree	34	32.4	32.4	87.6
	Strongly Agree	13	12.4	12.4	100.0
	Total	105	100.0	100.0	
3.6.7 Audit staffs has proper, performable knowledge about audit policy, procedure, outcomes as well as audit policy cycle.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	2	1.9	1.9	1.9
	Disagree	5	4.8	4.8	6.7
	Partially Agree	36	34.3	34.3	41.0
	Agree	49	46.7	46.7	87.6
	Strongly Agree	13	12.4	12.4	100.0
	Total	105	100.0	100.0	

3.7 Yearly has been repeating & increasing similar audit objections irregularities volume, which indicate the poor financial discipline, non-accountability, inefficient financial control, inefficient policy execution & not maintain governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	33	31.4	31.4	37.1
	Agree	44	41.9	41.9	79.0
	Strongly Agree	22	21.0	21.0	100.0
	Total	105	100.0	100.0	
3.8 Institutional memory has important for further corrective action and improvement of efficiency, that is historical background for new way and direction. Record of irregularities of offices known as 'Lagat Kitab'.Government and auditing office both have no record of person who repeated same irregularities many times and record of action. There has not record of 'account responsible person' and 'responsible person', who has regularizes the irregularities without taking action against those involve in irregularities according to act. Can we say...?					
3.8.1 Institutional memories of personnel & people, who has involve in financial irregularities make positive effects to accountability and discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	22	21.0	21.0	24.8
	Agree	58	55.2	55.2	80.0
	Strongly Agree	21	20.0	20.0	100.0
	Total	105	100.0	100.0	
3.8.2 Current audit policy has responsible for not maintaining institution record and enforce financial accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	50	47.6	47.6	51.4
	Agree	37	35.2	35.2	86.7
	Strongly Agree	14	13.3	13.3	100.0
	Total	105	100.0	100.0	
3.8.3 Government has irresponsible to executing audit result, which influence financial accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.6	7.6	7.6
	Partially Agree	39	37.1	37.1	44.8
	Agree	41	39.0	39.0	83.8
	Strongly Agree	17	16.2	16.2	100.0
	Total	105	100.0	100.0	
3.8.4 Poor institutional system has backing for this.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9

	Partially Agree	34	32.4	32.4	34.3
	Agree	49	46.7	46.7	81.0
	Strongly Agree	20	19.0	19.0	100.0
	Total	105	100.0	100.0	
3.8.5 Political system and leader has not serious for irregularities raise by audit					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	8.6	8.6	8.6
	Partially Agree	23	21.9	21.9	30.5
	Agree	42	40.0	40.0	70.5
	Strongly Agree	31	29.5	29.5	100.0
	Total	105	100.0	100.0	
3.9 The audit issue or result are settlement through the follow up audit that has provision in audit policy. Every year huge amount of irregularities are increased and every year repeated the same issue settled through follow up audit. Can we say...?					
3.9.1 The current follow up audit policy does not guarantee that the same case will not be repeated in order to maintain financial discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	24	22.9	22.9	26.7
	Agree	52	49.5	49.5	76.2
	Strongly Agree	25	23.8	23.8	100.0
	Total	105	100.0	100.0	
3.9.2 Present follow up audit system could only for minimizing volume of irregularities but not sustainable solution of financial irregularities for financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	8.6	8.6	8.6
	Partially Agree	27	25.7	25.7	34.3
	Agree	42	40.0	40.0	74.3
	Strongly Agree	27	25.7	25.7	100.0
	Total	105	100.0	100.0	
3.9.3 Follow up audit done without taking action to whom involve in irregularities is main cause of indiscipline and non-accountable financial administration.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	4.8	4.8	4.8
	Partially Agree	32	30.5	30.5	35.2
	Agree	41	39.0	39.0	74.3
	Strongly Agree	27	25.7	25.7	100.0
	Total	105	100.0	100.0	
3.10 For maintaining financial discipline and accountability in auditing sector has some gaps and need of guideline, procedure, law, standard (e.g. - sampling standard, audit regulation, IT manual etc.).					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9

	Partially Agree	35	33.3	33.3	35.2
	Agree	47	44.8	44.8	80.0
	Strongly Agree	21	20.0	20.0	100.0
	Total	105	100.0	100.0	
3.11 Financial procedure law, act, regulation, directives are simple, clear and achievable to better result in auditing?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	35	33.3	33.3	35.2
	Agree	48	45.7	45.7	81.0
	Strongly Agree	20	19.0	19.0	100.0
	Total	105	100.0	100.0	
3.12 All prevailing audit policy (law, rule, guideline, directive, etc.) has to be revisited for better performance, product, & result.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	32	30.5	30.5	32.4
	Agree	49	46.7	46.7	79.0
	Strongly Agree	22	21.0	21.0	100.0
	Total	105	100.0	100.0	
3.13 It has time to declare audit policy about fraud, corruption, public concern matter, and demand by people representative audit.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	29	27.6	27.6	31.4
	Agree	46	43.8	43.8	75.2
	Strongly Agree	26	24.8	24.8	100.0
	Total	105	100.0	100.0	
3.14 Presentation of financial statement, internal audit report, internal control, guideline for project /program of public sector, are clear to execute audit policy and bearing accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	36	34.3	34.3	36.2
	Agree	47	44.8	44.8	81.0
	Strongly Agree	20	19.0	19.0	100.0
	Total	105	100.0	100.0	
3.15 Office of the Auditor General play effective role for effectiveness of audit policy.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	1.0	1.0	1.0
	Disagree	1	1.0	1.0	1.9
	Partially Agree	31	29.5	29.5	31.4
	Agree	47	44.8	44.8	76.2

	Strongly Agree	25	23.8	23.8	100.0
	Total	105	100.0	100.0	
3.16 Even though some gaps, Audit policy are relatively sufficient for federal economic system and contemporary financial situation like corruption manipulation, fraud, irregularities etc.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	51	48.6	48.6	54.3
	Agree	41	39.0	39.0	93.3
	Strongly Agree	7	6.7	6.7	100.0
	Total	105	100.0	100.0	
3.17 For effectiveness of product of audit policy timely revise, proper execution of results, monitoring and evaluation are rest on auditor general and government.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	31	29.5	29.5	33.3
	Agree	52	49.5	49.5	82.9
	Strongly Agree	18	17.1	17.1	100.0
	Total	105	100.0	100.0	
3.18 The Public Accounts Committee has not been able to address the issues, objections and irregularities raised in the report of the Auditor General when it has not formed, discuss, or decision. In such a situation, there is a lack of audit law and policy in					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	32	30.5	30.5	36.2
	Agree	52	49.5	49.5	85.7
	Strongly Agree	15	14.3	14.3	100.0
	Total	105	100.0	100.0	
3.19 Audit procedure are easy to follow by client or auditor in auditing, follow up audit, accountability & answerability financial discipline management.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	6.7	6.7	6.7
	Partially Agree	32	30.5	30.5	37.1
	Agree	55	52.4	52.4	89.5
	Strongly Agree	11	10.5	10.5	100.0
	Total	105	100.0	100.0	
3.20 Issue, language, size, time of auditing are very realistic and result oriented.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	11	10.5	10.5	10.5
	Partially Agree	43	41.0	41.0	51.4
	Agree	38	36.2	36.2	87.6
	Strongly Agree	13	12.4	12.4	100.0
	Total	105	100.0	100.0	

3.21 Audit staff are sufficient for federal economic system and contemporary financial situation.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	4	3.8	3.8	3.8
	Disagree	8	7.6	7.6	11.4
	Partially Agree	31	29.5	29.5	41.0
	Agree	49	46.7	46.7	87.6
	Strongly Agree	13	12.4	12.4	100.0
	Total	105	100.0	100.0	
3.22 Output of audit policy has ultimate goal/outcomes of financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	1.0	1.0	1.0
	Disagree	6	5.7	5.7	6.7
	Partially Agree	35	33.3	33.3	40.0
	Agree	47	44.8	44.8	84.8
	Strongly Agree	16	15.2	15.2	100.0
	Total	105	100.0	100.0	

#### 4. Effectiveness of execution the annual audit report

**TABLE 37 VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON IV-EORAAR**

4.1 The State has not effectively addressing the doctrinal and policy issues raised by the Auditor General through its annual report.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	18	17.0	17.1	21.0
	Agree	64	60.4	61.0	81.9
	Strongly Agree	19	17.9	18.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.2 Responsible person and concern official has not settle & clearance objection amount with in the 35 days of issues raised by the Auditor General through its preliminary audit report.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.5	7.6	7.6
	Partially Agree	35	33.0	33.3	41.0
	Agree	49	46.2	46.7	87.6
	Strongly Agree	13	12.3	12.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.3 Secretary of Nepal government (account responsible officer) has regularized the irregularities amount and write to office of auditor general for settlement of amount raise in audit report. Auditor has legal obligation to obey as write. Can we say...?					
4.3.1		It has not improving and corrective action in financial discipline.			

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	13	12.3	12.4	12.4
	Partially Agree	31	29.2	29.5	41.9
	Agree	43	40.6	41.0	82.9
	Strongly Agree	18	17.0	17.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

4.3.2 Check & balance of control system is affect when the regularizing irregularities amount by the spending authorities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	46	43.4	43.8	46.7
	Agree	44	41.5	41.9	88.6
	Strongly Agree	12	11.3	11.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

4.3.3 Ignoring the audit report or not taking seriously to raising issues of the auditor general by management has influencing the financial discipline and accountability.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	8.5	8.6	8.6
	Partially Agree	34	32.1	32.4	41.0
	Agree	38	35.8	36.2	77.1
	Strongly Agree	24	22.6	22.9	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

4.3.4 Follow up audit or review audit policy has not clear legal, procedural, and institutional provision that creating an accountability to concern party to liable for making irregularities. Irregularities has not adequate & timely settling with legal action.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	43	40.6	41.0	43.8
	Agree	46	43.4	43.8	87.6
	Strongly Agree	13	12.3	12.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

4.4 The financial discipline and accountability process has not been strengthened by the improvement and solution work of the financial irregularities, which is being done without taking action, neutrality and fair check and balance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	36	34.0	34.3	38.1
	Agree	55	51.9	52.4	90.5
	Strongly Agree	10	9.4	9.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.5 Audit objections/finding/ results explore in annual audit report are clear to report executor or auditees/ client.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	4.7	4.8	4.8
	Partially Agree	33	31.1	31.4	36.2
	Agree	54	50.9	51.4	87.6
	Strongly Agree	13	12.3	12.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.6 Audit report of auditor general are simple, clear, timeliness and achievable.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Disagree	5	4.7	4.8	5.7
	Partially Agree	36	34.0	34.3	40.0
	Agree	43	40.6	41.0	81.0
	Strongly Agree	20	18.9	19.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.7 No account of corrective measure has been taken by government by studying the auditor general performance, gender, environment, disaster management and IT audit report, which one of the best corrective measures for improving financial governance has in shadows.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	1.0	1.0
	Partially Agree	39	36.8	37.1	38.1
	Agree	51	48.1	48.6	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

4.8 Auditor general has still to settling the two-decade old irregularities amount of audit findings, that has been left amount after transferring irregularities settlement amount to government agency (kendriya tahashil karayalya ). It shows audit report has not executions properly by agency with accountability to people.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Partially Agree	35	33.0	33.3	34.3
	Agree	55	51.9	52.4	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.9 Main and last agency through which taking corrective action against objections raised in the auditor general report is 'Public Accounts committee'. Discussion to settling irregularities amount & issues has still pending for many years, or not regular & smoothly discussion has held. So that accountability to public financial governance has been affecting.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	1.0	1.0
	Partially Agree	30	28.3	28.6	29.5
	Agree	60	56.6	57.1	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.10To make readable auditor general has issued only one volume of the report. Sectorial and issue wise different report is not issue for further-more detail data to people, reader, researcher. Financial sector transparency and accountability has been minimized.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	36	34.0	34.3	37.1
	Agree	53	50.0	50.5	87.6
	Strongly Agree	13	12.3	12.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.11Auditor General annual report is repeating common/same issues every year, that situation shows the audit policy has difficulties to maintain accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	28	26.4	26.7	29.5
	Agree	58	54.7	55.2	84.8
	Strongly Agree	16	15.1	15.2	100.0

	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.12Contemporary audit policy has deficiencies to maintain a sound relation and accountability toward the public & financial governance, which need to be improved.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Partially Agree	31	29.2	29.5	30.5
	Agree	54	50.9	51.4	81.9
	Strongly Agree	19	17.9	18.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
4.13'Account responsible officer' & 'Responsible person' who has the responsibility to regularize the irregularities or result of audit report has done regularize & settling irregularities without taking action, not maintaining record of irregular doer. It shows not execution of audit policy in proper manner has not maintain discipline and financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	34	32.1	32.4	38.1
	Agree	48	45.3	45.7	83.8
	Strongly Agree	17	16.0	16.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

## 5. Effectiveness of public sector Institutional arrangement for addressing audit objection and finding

**TABLE 38** VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON IV-EOPSAI

5.1 The provision of irregularities settlement, action and reward, , record keeping, permanently reform & correction of result of audit etc., in Financial Procedures and Fiscal Accountability Act, 2076 and Financial Procedures rules 2064 Legally and procedures rules 2064.					
5.1.1 Legally and procedurally, it is sufficient for operationalization					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Partially Agree	23	21.7	21.9	21.9
	Agree	67	63.2	63.8	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.1.2 It is Reliable or sufficient to maintain discipline, accountability & taking action					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9

	Partially Agree	36	34.0	34.3	36.2
	Agree	48	45.3	45.7	81.9
	Strongly Agree	19	17.9	18.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.1.3 No personal data of irregularities doer, repeater, who is subject to the action.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	34	32.1	32.4	35.2
	Agree	51	48.1	48.6	83.8
	Strongly Agree	17	16.0	16.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.1.4 Current follow up system or process has proper for irregularities settle, but minimum level of financial reform and discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	37	34.9	35.2	39.0
	Agree	50	47.2	47.6	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.1.5 Irregularities settlement committee has settle the irregularities that has not settle through regular process. It work only for settle minimize volume of irregularities, but it is fail accountability develop.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	35	33.0	33.3	35.2
	Agree	52	49.1	49.5	84.8
	Strongly Agree	16	15.1	15.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.2 Irregularity Settlement Evaluation and Monitoring Committee has provided yearly target percentage to settlement of audit irregularities. Audit issues in amount are settle in targeted percentage then it left all theoretical, policies wise issues. Can we say.....?					
5.2.1 Responsible entity for sustainable accountability and discipline has only concentrate in short term solution of problem.					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	20	18.9	19.0	21.0
	Agree	62	58.5	59.0	80.0
	Strongly Agree	21	19.8	20.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.2.2 There is no financial correction for healthy economic.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.5	7.6	7.6
	Partially Agree	39	36.8	37.1	44.8
	Agree	37	34.9	35.2	80.0
	Strongly Agree	21	19.8	20.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.2.3 For sustainable financial discipline and accountable system has to take disciplinary action on unlawful activities and irregular doer, however it has not done properly.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	35	33.0	33.3	36.2
	Agree	53	50.0	50.5	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.2.4 Monitoring and evaluation provision by financial act and regulation or relative act has not done by government official and concern person on financial discipline are the cause of raising irregularities, also monitoring and evaluation not tie up with follow up audit too.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	36	34.0	34.3	38.1
	Agree	47	44.3	44.8	82.9
	Strongly Agree	18	17.0	17.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
5.3 Provision to discuss and reporting by Public Account Committee on auditor general report before submitting budget in parliament, however, the budget has not proper addressing the issues raised by audit annual report.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9

	Partially Agree	38	35.8	36.2	38.1
	Agree	47	44.3	44.8	82.9
	Strongly Agree	18	17.0	17.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>5.4</b> For provision to build special institutional task force's has not on policy for further rapid investigation, action, & improvement in auditor general annual report toward financial governance, that is responsible for backlogged irregularities from more than half century,					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	42	39.6	40.0	43.8
	Agree	44	41.5	41.9	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>5.5</b> Discriminatory power of auditor has spoilt the best practice of audit policy to delivering financial discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	42	39.6	40.0	43.8
	Agree	42	39.6	40.0	83.8
	Strongly Agree	17	16.0	16.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>5.6</b> Auditor and auditing agency may manipulate, correct, change output or results and illogical own interpretation on auditing and Public account committee's direction may effects in effective execution of audit policy for financial discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	10	9.4	9.5	9.5
	Partially Agree	34	32.1	32.4	41.9
	Agree	46	43.4	43.8	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>5.7</b> Audit policy-executing process would not be ignored social value and government objectives for public answerability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9

	Partially Agree	29	27.4	27.6	30.5
	Agree	59	55.7	56.2	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
<b>5.8 Political change and ideological value norms effect the outputs of audit policy's effectiveness.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	33	31.1	31.4	37.1
	Agree	54	50.9	51.4	88.6
	Strongly Agree	12	11.3	11.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

### **C Mediating Variable**

#### **6. Role of public sector Audit partners (Auditees (OCG), Irregularity Settlement & Evaluation and Monitoring Committee, Irregularity amount Settlement Evaluation and Monitoring Committee & Ad-hoc committee)**

**TABLE 39 VALIDITY FREQUENCY OF QUESTIONNAIRE 'RENSIS LIKERT SCALE' ON MV-ROPSAP**

6.1 Account service's official and staff has working for budget release and expenditure, maintaining account, preparing of financial statement, reporting & internal auditing who are under the Office of comptroller general. Those bodies, employees and office bearers has....?					
6.1.1 Adherence to implementation audit policy & report plays an important role for best results.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	1.0	1.0
	Partially Agree	19	17.9	18.1	19.0
	Agree	67	63.2	63.8	82.9
	Strongly Agree	18	17.0	17.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.1.2 Efficient internal audit could done to minimizing irregularities to contribute in final audit.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	23	21.7	21.9	23.8
	Agree	57	53.8	54.3	78.1
	Strongly Agree	23	21.7	21.9	100.0

	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.1.3 It could controlling & settlement for prevailing irregularities with exercise the legal authority of budget disbursement, internal control & audit, supervision, monitoring, financial reporting, account staff management, that contribute to financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	31	29.2	29.5	31.4
	Agree	57	53.8	54.3	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.1.4 It plays an important role in resolving irregularities by upgrading financial accountability with fair and legal accounting, preparation of financial statements / reporting and implementation of excellent audit policy.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	41	38.7	39.0	41.0
	Agree	43	40.6	41.0	81.9
	Strongly Agree	19	17.9	18.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.1.5 It has an important role for provide adequate and fair statistics, accounting information for help to understanding of entity, identified risk, audit planning, execution for best result, reporting job of final audit to execute audit policy to maintain financial discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	35	33.0	33.3	37.1
	Agree	49	46.2	46.7	83.8
	Strongly Agree	17	16.0	16.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

6.2 Rule of house of representative and constitutionally has made provision to discuss a Public account & report of Auditor General in Public account committee. After discussion, it might direction to corrective action to audit entity, client agency, government and other concern parties to financial regularizations. Can we say...?					
6.2.1 It plays important role for execution of audit policy with effective toward financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Partially Agree	21	19.8	20.0	20.0
	Agree	56	52.8	53.3	73.3
	Strongly Agree	28	26.4	26.7	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.2 Important role has been playing on auditor reports for reform the contemporary audit policy, accountability establishing, answerability of public fund, raising issues of irregularities & outcomes, and best governance operational system					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	1	.9	1.0	1.0
	Disagree	1	.9	1.0	1.9
	Partially Agree	30	28.3	28.6	30.5
	Agree	58	54.7	55.2	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.3 Public account committee has timely discussion on the financial issues and budgetary noncompliance issue raise in annual report that has been create accountability & discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	4.7	4.8	4.8
	Partially Agree	37	34.9	35.2	40.0
	Agree	51	48.1	48.6	88.6
	Strongly Agree	12	11.3	11.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.4 Compressively, timely, & action oriented manner audit report has not discussed.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8

	Partially Agree	44	41.5	41.9	45.7
	Agree	48	45.3	45.7	91.4
	Strongly Agree	9	8.5	8.6	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.5 Public account committee has accountable investigation for reform on repeating issues, inaction of audit outcomes, audit reporting system & policy.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	36	34.0	34.3	38.1
	Agree	55	51.9	52.4	90.5
	Strongly Agree	10	9.4	9.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.6 It is importance for committee to studying, directing, controlling and monitoring audit policy & audit report for wholesome reform in public financial sector, auditing & reporting pattern of Auditor General to enhance financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	42	39.6	40.0	41.9
	Agree	47	44.3	44.8	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.7 The direction of the committee have not acted mentionable action for the irregularities issue raise by the Auditor general report for sustainable reform.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	33	31.1	31.4	37.1
	Agree	50	47.2	47.6	84.8
	Strongly Agree	16	15.1	15.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

6.2.8 Proper monitoring/ evaluation the compliance of own (committee) direction on issues raise in the annual report of Auditor general to boost up financial discipline/ public accountability are not so effective, timely and continuously done.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	31	29.2	29.5	35.2
	Agree	58	54.7	55.2	90.5
	Strongly Agree	10	9.4	9.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.9 Timeliness, perception in Issue, decision in raise case management, language and directives of Public Accounts Committee on annual audit report of auditor general directed toward accountability of public official.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	43	40.6	41.0	43.8
	Agree	49	46.2	46.7	90.5
	Strongly Agree	10	9.4	9.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.10 The Acts and provisions of the Public Accounts Committee should be amended in a timely manner to increase the effectiveness of the audit policy through effective guidance to make it & able to bear public accountability.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	1.0	1.0
	Partially Agree	39	36.8	37.1	38.1
	Agree	46	43.4	43.8	81.9
	Strongly Agree	19	17.9	18.1	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.2.11 The effectiveness of the Auditor General's report and audit policy depends on the intervening and the complementary role of the committee to discussion, research, recommendation on audit observation & reporting system.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9

	Partially Agree	32	30.2	30.5	33.3
	Agree	56	52.8	53.3	86.7
	Strongly Agree	14	13.2	13.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

6.3 Account responsible officer's process to regularize without taking action and not keeping record of irregularities amount & person on auditing objection, eliminating irregularities decision (Bemakha samandhi cabinate decision), Time to time forming the Irregularity amount Settlement Evaluation and Monitoring Committee decision for clearing backlog irregularities, disaster time's losing evidences and lost irregularities amount's regularization etc. are those process to regularizing practices in Public audit. Office of Auditor General has been requested to settle irregularities amount according to their decision. Can we say that...?

6.3.1 A decision without reform work is not seem to contribute to good financial governance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	5.7	5.7
	Partially Agree	17	16.0	16.2	21.9
	Agree	56	52.8	53.3	75.2
	Strongly Agree	26	24.5	24.8	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

6.3.2 It has influenced the system-based reform of the audit policy.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	30	28.3	28.6	31.4
	Agree	51	48.1	48.6	80.0
	Strongly Agree	21	19.8	20.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

6.3.3 'Irregularity amount Settlement Evaluation and Monitoring Committee' has importance role for, execution of audit policy & accountability.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.9	1.9	1.9
	Partially Agree	33	31.1	31.4	33.3
	Agree	53	50.0	50.5	83.8
	Strongly Agree	17	16.0	16.2	100.0

	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.3.4 Committee settle very old irregularities amount only, but it is unsuccessful to create personal or institutional accountability on financial soundness/fairness.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.8	3.8	3.8
	Partially Agree	31	29.2	29.5	33.3
	Agree	59	55.7	56.2	89.5
	Strongly Agree	11	10.4	10.5	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
6.3.5 The 'Irregularities Settlement Committee' formed under the chair of member of the Public Accounts Committee, has limitations or scope to strengthen the audit policy towards good financial governance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	1.0	1.0
	Partially Agree	29	27.4	27.6	28.6
	Agree	55	51.9	52.4	81.0
	Strongly Agree	20	18.9	19.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

## **D Extraneous variables**

### **7. Time for auditing, discloser in financial statement, and management involvement in fraudulent practices are extraneous variable, which has limited the audit policy effectiveness**

**TABLE 40** VALIDITY FREQUENCY OF QUESTIONNAIRE 'RESINS LIKERT SCALE' ON EV-TFA

7.1 Financial statements, audit duration, institutional capacity, work force strength, managerial skills and accountability plays a role in creating accountability and maintaining discipline by following the audit policy?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Partially Agree	9	8.5	8.6	8.6
	Agree	63	59.4	60.0	68.6
	Strongly Agree	33	31.1	31.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

7.2 Fraud in management collusion, manipulation of results, fictitious evidence of irregularities, evidence created in audit, etc. make implementation of policy less effective in maintaining accountability and discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Partially Agree	26	24.5	24.8	24.8
	Agree	57	53.8	54.3	79.0
	Strongly Agree	22	20.8	21.0	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
7.3 Oversight agency like CIAA, national vigilance center, other regulating agency affect the audit policy to delivering output as financial discipline.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.8	2.9	2.9
	Partially Agree	34	32.1	32.4	35.2
	Agree	53	50.0	50.5	85.7
	Strongly Agree	15	14.2	14.3	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
7.4 Increasing public financial accountability through an oversight agency like CIAA, national vigilance center, other regulating agency move their investigative work basing on audit results further confirm the effectiveness of the audit policy.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	1.0	1.0
	Partially Agree	33	31.1	31.4	32.4
	Agree	55	51.9	52.4	84.8
	Strongly Agree	16	15.1	15.2	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		
7.5 PAC's decision, action, monitoring & evaluation toward eradication of financial irregularities activeness, Ad-hoc decision of government, formation of committee to activating for minimize irregularities has to importance for sustainable financial					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	1.0	1.0
	Partially Agree	32	30.2	30.5	31.4
	Agree	59	55.7	56.2	87.6
	Strongly Agree	13	12.3	12.4	100.0
	Total	105	99.1	100.0	
Missing	System	1	.9		
Total		106	100.0		

