

Assessment of the Regulatory and Standard-Setting Framework

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Section 1 – Introduction

The information required from member bodies for the IFAC Member Body Compliance Program will be collected in two parts:

Part 1 – Assessment of the Regulatory and Standard-Setting Framework (provides information about regulatory requirements and standard-setting processes in member body countries); and

Part 2 – Assessment of Compliance (provides information on compliance by member bodies with the Statements of Membership Obligations).

The content of this assessment relates to Part 1 and includes 138 questions of which 23 relate to information IFAC regularly collects from its member bodies and the remainder relate to IFAC's Member Body Compliance Program. The purpose of this assessment is to collect information on the roles of IFAC member bodies and other organizations (including government, regulatory or other appointed authorities) with respect to:

- a) Setting auditing, accounting, ethics, public sector and education standards; and
- b) Regulating the accountancy profession.

The deadline for completion of this assessment is June 1 2004.

As indicated in the Compliance Working Group's recommendations to the IFAC Board, the IFAC staff will review completed assessments and validate the responses with external knowledgeable parties (for example, other member bodies, regional accountancy organizations, firms, or regulators) as necessary. Additionally, the information will be made available to the Public Interest Oversight Board.

Responses to certain questions may be common among member bodies in one country and for such questions IFAC encourages member bodies to minimize the duplication of effort. In addition, certain questions may not apply to the role of certain member bodies and responses are therefore not required for such member bodies. Where necessary, please communicate with other member bodies in your country to minimize duplication or clarify your organization's need to respond to particular questions.

IFAC will publish the results of this assessment on its website and use the collected information to establish an understanding of the role of IFAC member bodies in standard-setting and regulation of the profession.

Part 2 of the Member Body Compliance Program will also require member bodies to complete a self-assessment. The assessment tool will be distributed later in 2004. The information collected during Part 2 will be used in conjunction with the information submitted during Part 1 to evaluate how the member body complies with the Statements of Membership Obligations.

Completion of the assessments during Part 1 and Part 2 of the Compliance Program is mandatory for all member bodies. A "Certification of Chief Executive" must be completed and the original submitted to IFAC (refer to last page of this questionnaire).

Section 2 – Instructions and Definitions

General Instructions

IFAC requests that all member bodies complete the questionnaire electronically via the Internet by clicking on the following link:

www.ifac.org/ComplianceAssessment

You may also download and print a PDF version of the survey from IFAC's website <http://www.ifac.org/Compliance>.

Please submit all responses in English and make them as complete and as current as possible.

IFAC understands that each member body exists in a unique environment, and that serving the public interest can be accomplished through various structures and systems. Every attempt has been made to structure this document to accommodate a variety of circumstances. Where, however, the form of the question does not permit you to adequately describe the situation in your country, please submit additional descriptions and other relevant information to enhance our understanding. If your organization (or any other organization) has prepared or published documents (in English) that contain some of the requested information, please submit those documents to IFAC. Please send all supplementary materials via e-mail, courier or postal mail identifying which questions they relate to by June 1, 2004 directly to:

Sylvia Barrett
Technical Manager
Member Body Compliance Program
IFAC
545 Fifth Avenue, 14th Floor
New York, NY 10017 USA
E-mail: sylviabarrett@ifac.org

Electronic Questionnaire

The questionnaire has been programmed to provide the following features:

- To move forward to the next page or return to a previous page, use the “Previous” and “Next” buttons at the bottom of each page (do not use the Back and Forward keys).
- Each time you press “next” the information you provide will be saved to a database.
- You may skip questions and return to them later to complete; no previous information will be lost.
- You may edit questions previously answered.
- You may view your answers at any time during the survey completion process.
- You may save your answers to your computer’s hard drive at any point during the survey completion process. However, you must return to the electronic version to continue answering questions.
- You may exit from the questionnaire and then resume at any point; no information will be lost as a result.

Print Questionnaire

If you do not have the capability to complete this assessment via the Internet, you may print out the PDF version and use it as an outline in preparing your response. Please prepare your responses in a Word (.doc) document, numbering each question consistent with the outline. A Word version of the assessment is available by contacting Sylvia Barrett at the email or telephone number below.

Please e-mail the completed Word document to complianceassessment@ifac.org. If electronic transmission of the file is not possible, please send a disk containing the file to Sylvia Barrett at the address below.

Definitions

IFAC recognizes that the terminology used in this assessment (e.g., law, regulation, process, etc.) may be different in each member body’s country. Each member body should respond in the context of what is applicable in their country and explain the differences.

To assist member bodies, the following terms are defined for the purposes of completing this questionnaire and are shown in bold text in the questionnaire:

“**Enacting body**” means (a) level of government and responsible ministry or department, or (b) other agency or regulatory body that published the “legal authority” (defined below);

“Legal authority” means laws, regulations, orders, directives, circulars, or other documents having the force of law;

“Listed entity” means an entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body;

“Regional organization” means an organization of accounting institutions of countries located within a defined region of the world. In cooperation with IFAC, a regional organization encourages, advises and coordinates the efforts of their member institutions to achieve the mission and work program of the regional organization as well as that of IFAC; and

“Your organization” means your member body.

You are encouraged to contact the IFAC staff if you have any questions or require clarification of any of the requested information. Questions should be directed to:

Sylvia Barrett
Technical Manager
Member Body Compliance Program
IFAC
545 Fifth Avenue, 14th Floor
New York, NY 10017 USA
Direct: +1-212-286-9563
Main: +1-212-286-9344
Fax: +1-212-286-9570
E-mail: sylviabarrett@ifac.org

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Section 3 – General Information

Section 3 must be completed by all respondents

1. Country

El Salvador

2. Name of member body

Instituto Salvadoreño de Contadores Públicos

3. Date member body became a member of IFAC

01 / 2012

Note: Please enter a numeric date (e.g., 12/01)

Month Year

4. Individual responsible for preparation

Luis Alonso Morán

Section 3A – Member Body Address

5. Physical location address

San Salvador, El Salvador, Central America

6. Address for correspondence (i.e., provide either a physical location or email address)

Physical location

Ave. Olímpica, Pje La Unión No 112 Col Escalón

Email

i.s.c.p@integra.com.sv

Section 3B – Member Body Leadership Information

7. Name of Chief Executive
8. Is the Chief Executive position a full-time or part-time position?
Full-time Part-time
9. Name of current President or voluntary lay leader

Section 3C – IFAC Key Contact (for purposes of all general IFAC correspondence)

10. Name of person at member body to be IFAC's main contact
11. Contact phone number
Note: Include country code and city code
12. Contact fax number
Note: Include country code and city code
13. Contact e-mail address

Section 3D – Primary Contact for Contents of this Assessment

14. Name of person at member body to be the contact for questions on this assessment
15. Contact phone number
Note: Include country code and city code
16. Contact fax number
Note: Include country code and city code
17. Contact e-mail address

Section 3E – Member Body Revenue

(this section is for IFAC internal use and will not be published on the website)

18. Total annual revenue in local currency and US\$

Note: Please enter a whole number using commas (e.g., 4,000,000)

Local currency

Colón

US\$

150,589

US\$1=8.75

(specify currency and exchange rate)

19. Fiscal year ending

12 / 2005

(provide month and year [e.g., 06/2002])

20. Indicate the percentage of total revenue for the last fiscal year from each of the following sources. *Please make sure your total equals 100%.*

Source of Revenue	% of Total Revenue
Member Dues	
Journal Subscriptions	
Publication Sales	
Continuing Education Programs	
Other activities <i>(please describe)</i>	
Other activities <i>(please describe)</i>	
Other activities <i>(please describe)</i>	
Total	100%

Section 3F– Membership Categories

21. Please provide the following membership information for each membership category. For annual dues per person, only information about full / standard membership dues is required (where there are different dues for retired members, provisional members etc., such dues information is not required).
If NONE, write "0".

Membership Categories	Number of Members	Annual Dues per Person (local currency)
Certified or Chartered Accountants		
Accounting Technicians		
Accounting Students		
Accounting Firms		
Other <i>(please describe)</i>		
Other <i>(please describe)</i>		

22. Please provide membership information according to the following sectors.
If NONE, write "0".

Sector	Number of Members
Public Practice	
Industry	
Public Sector	
Academia / Education	
Other <i>(please describe)</i>	
Other <i>(please describe)</i>	

Section 3G – Affiliations

23. Please list those **regional organizations** to which your organization belongs (e.g., FEE, CAPA, ECSAFA, IAA, etc.).

[AIC. \(Asociación Interamericana de Contabilidad \)](#)

[CAPES. \(Colegio de Asociaciones Profesionales de El Salvador \)](#)

[IFAC. \(International Federation of Accountants \)](#)

Section 4 –Statutory Framework

Responses to this section will provide a description of the legal framework governing the commercial aspects of auditing and financial reporting in your country.

Section 4A – The Companies Act or Commercial Code

The following questions concern the Companies Act (the Act) or Commercial Code (the Code) or similar **legal authority** in your country. If no **legal authority** exists, or the **legal authority** does not address particular questions, please indicate “N/A” for Not Applicable.

24. What is the full name of:

a) the Act or the Code

Code of Commerce

b) the **enacting body**

Legislative Branch

c) date the Act or Code came into force

Note: Please enter a numeric date (e.g., MM/YYYY 06/2004)

_____/_____
Month Year

25. How can IFAC obtain a copy of the Act or Code?

www.ssf.gob.sv

26. Is the Act or Code available in English?Yes No

27. What are the types of entities covered by the Act or the Code? *Please “X” all that apply.*

Listed entities

Other Financial Body _____

Private companies.....

please specify

Governmental.....

Other _____

please specify

Not-for-profit.....

Other _____

please specify

28. For each entity selected above, is there a requirement for the entity to prepare annual statutory financial statements?

Yes

No

If YES, please describe the financial reporting requirements including the accounting standards to be followed. Attach additional pages for each type of entity where necessary.

Requirements established in the Code of Commerce: Art. 443 - All General Balance sheet must express with veracity and accurate compatibility with its purposes, the financial situation of the business in the date it refers to. Their lines will form taking as it bases the opened accounts, in agreement with the criteria of estimation emitted by the Monitoring Council of the Public Accountant's Profession and Audit, and in their absence by the International Norms of Accounting.

This Balance will include/understand a summary and estimation of all the goods of the company, as well as of its obligations. The Balance will be elaborated according to the Accountability Principles authorized by the Council and according to the nature of the in question business.

29. For each entity selected above, is there a statutory requirement for the entity to be audited?

YesX No

If YES, describe the requirement including the auditing standards to be followed. Attach additional pages for each type of entity where necessary.

According to the Art.474 of the Code of Commerce that states: The Retailers whose assets exceed fifty thousand colones (US\$ 5.714,29), are forced to annually present/display their year ending Balance to the Registry of Commerce, properly signed by the proprietor or Legal Representative and the Accountant, so that they are made appear in the Registry of Balance and when the assets exceed three hundred thousand colones (US\$ 34.285,71), they will have to be certified in addition, by an Auditor.

The Societies of Capital and Individual Companies of Limited Responsibility, are forced to present/display their General Balance sheets to the Registry of Commerce for their inscription, properly signed by the Legal Representative, the Accountant and the External Auditor.

30. Are the auditors ("statutory auditors") that are appointed for audits required by the Act or Code ("statutory audits") appointed for a specific period?

Yes.....X No.....

If YES, please indicate the term of appointment.

1

Years

31. Who appoints the statutory auditors? Please "X" all that apply.

- | | | | |
|-------------------------|-------------------------------------|-----------------------|--------------------------|
| Shareholders..... | <input checked="" type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Board of directors..... | <input type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Audit committee | <input type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Government agency | <input type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Management | <input type="checkbox"/> | | |

32. Does the Act or Code require joint auditors for the statutory audit?

Yes No

If YES, please describe the requirement.

33. Does the Act or Code require the rotation of the auditors or audit firms performing statutory audits? Yes No.....

If YES, please describe the requirement.

Section 4B – Securities Market Regulations

Responses to this section will provide a description of the financial reporting and auditing requirements for **listed entities** in your country.

34. What are: (a) the major items of **legal authority** for such requirements, (b) the **enacting body(ies)** and (c) the latest amendment date? Please identify the specific articles or sections that pertain to auditing and financial reporting.

(a) the major items of **legal authority** for such requirements

Market Values Law, Title VI, Article 81, issuing Decree: Legislative Branch.

(b) the **enacting body(ies)**

(c) the latest amendment date (e.g., MM/YYYY 06/2001)

35. How can IFAC obtain a copy of the **legal authority**?

36. Is the **legal authority** available in English?Yes No...X

37. Are there any additional or alternative financial statement reporting requirements for **listed entities** that are not described in your answer to Question 28?

YesX No

If YES, please describe the requirement.

[Notes to the Special Financial Statements: State of Stock-exchange Operations and the State of the Portfolio Administration, for the overseeing offices.](#)

38. Are there any additional auditing requirements that apply to **listed entities** other than those described in your answer to Question 29 (e.g., additional GAAS requirements, additional independence requirements, requirements to report to those charged with governance, etc.)?

YesX No

If YES, please describe the requirement.

[The requirements of Article 81 in the Market Values' Law.](#)

39. Who appoints the statutory auditors of **listed entities**? Please "X" all that apply.

- | | | | |
|-------------------------|-------------------------------------|-----------------------|--------------------------|
| Shareholders..... | <input checked="" type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Board of directors..... | <input type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Audit committee | <input type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Government agency | <input type="checkbox"/> | Other _____ | <input type="checkbox"/> |
| | | <i>please specify</i> | |
| Management | <input type="checkbox"/> | | |

40. Are auditors who perform audits of **listed entities** appointed for a specified period?

Yes No

If **YES**, please indicate the term of appointment.

1

 Years

41. Are joint auditors required for audits of **listed entities**?

Yes No

If **YES**, please describe the requirement.

42. Is rotation of the auditor or audit firm for audits of **listed entities** required?

Yes No

If **YES**, please describe the requirement.

Section 5 – Auditing Standards

Responses to this section will provide a description of the legal and professional framework governing audit and other assurance standards in your country. The section focuses on the establishment of such standards. Please indicate the role your organization plays within this framework.

Section 5A – Statutory Framework

43. Please provide the name of the **legal authority** and/or self-regulatory rules that establish audit and other assurance standards in your country, the date of the last amendment of such authority or rules and the name of body responsible for setting audit and other assurance standards. If the standards are different for different entities (e.g., **listed entities**, private companies, governmental bodies, not-for-profit organizations, etc.), please specify the details that apply to each.

Type of entity	Name of applicable legal authority	Date of last amendment <i>(e.g., MM/YYYY 06/2001)</i>	Name of body responsible for setting audit and other assurance standards
Listed entity	Statutory law of the Supervision of Values	04/10/1996 Paper N° 186 Book N° 333	Supervision of Values
Other <i>(please describe)</i>	Statutory law of the Supervision of the Financial System	13/02/1996 Paper N° 30 Book N° 330	Supervision of the Financial System
Other <i>(please describe)</i>	Statutory Law of the Supervision of Pensions	23/12/1996 Paper N° 1243 Book N° 333	Supervision of Pensions
Other <i>(please describe)</i>	Statutory Law of the Court of Accounts	25/09/1995 Paper N° 176 Book N° 328	Court of Accounts of the Republic
Other <i>(please describe)</i>			

a. How can IFAC obtain copies of these documents?

www.superval.gob.sv
www.ssf.gob.sv
www.spensiones.gob.sv
www.cortedecuentas.gob.sv

b. Are the documents available in English? Yes No

Section 5B – Standard-Setting

44. For **each** professional body or standard-setting body responsible for setting audit and other assurance standards, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

Name of body responsible for setting audit and other assurance standards (as indicated in Q43)	Nature of body	Name of standards
Monitoring Council of the Public Accountant's Profession and Audit.	Public (Government)	1, International Financial Information Standards Adopted in El Salvador 2, International Audit Standards. 3, Standard for the Audit of the Tributary Obligations Fulfillment. 4. Standard of the Continued Education.

With respect to each professional body or standard-setting body responsible for setting audit and other assurance standards (as indicated in Q43), please answer the following questions.

45. How many voting members does the standard-setting body have?

6

46. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

Voluntary Employed

Both

If both, please describe

They are named by the Ministry of Economy, IRS, Supervision of the Financial System and Values, National Association of Private Company and Sister Associations.

47. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

To be a proprietary or substitute member of the Council it is required:

- a) To be Salvadoran;
- b) To be authorized as a public accountant by the Council;
- c) To be recognized as a role of morality;
- d) To have performed in the profession at least ten years;
- e) To be in the exertion of the citizen rights and to have been in exertion five years previous to its appointment.

The spouses, the relatives, included/understood within the second degree of consanguinity or second of affinity, those relatives of the President or Vice-president of the Republic or of any of the Ministers of State in the expressed degrees, are banned to be members of the Council.

48. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

The Council will be integrated in the following way:

- a) A Director, appointed by the Minister of Economy, who will be the president of the Council;
- b) a Director named by the Minister of the IRS;
- c) a Director named by agreement of the Supervision of the Financial System, and the Supervision of Values;
- d) a Director appointed by the National Association of the Private Company (ANEP), as the top organization representing the private branch;
- e) Two Directors appointed by the associations of accountants, who are properly registered before the Ministry of Home Affairs; both representatives shall not belong to the same association.

Each Director will have his substitute, who will be appointed in the same form that the proprietor and will replace him in his absences.

The substitutes of the Council will be able to attend the sessions with the right to speak but with no right to vote, and will not collect salaries, except when replacing a proprietor, in which case they will bear such rights and obligations.

- | | | | |
|---|---|-------|-------|
| 49. What is the term of appointment for members? | 3 | Years | |
| 50. For how many years has the standard-setting body been in existence? | | 66 | Years |

It was passed in 1940 as legislative decree N° 57.

In 2000 the application of the Regulating Law of the Exercise of the Public Accountant's Profession became in force, as noticed in the Official Newspaper N° 42, Volume N° 346, of the 29 of February of 2000.

51. Please indicate the budget of the standard-setting body for the last fiscal year. 169,460.00 (in US \$)

Note: Please enter a whole number using commas (e.g., 4,000,000)

Please enter the exchange rate used to calculate this number. US\$1=8.75 (specify currency)

Note: Please enter a decimal amount (e.g., 4.0027)

52. To what entity is the standard-setting body accountable?

Ministry of Economy

53. Describe the due process followed by the standard-setting body. Please include explanations of the following:

The act to be passed is acknowledged. (Reforms or New norm).
A Special Commission for each case is appointed.
A proposal from the special commission is accepted.
It is put under observation of the related associations.
Approval on the part of the Council having studied considering the observations issued by the associations

a. public exposure of standards

Printed notice in the Official Newspaper
Notice printed in the two most read newspapers
Seminary-notice inviting all professionals

b. accessibility of meetings (i.e., public or private)

Meetings with associations of the Public Accountant's Profession for its disclosure

c. approval process for final standards (i.e., majority required to approve final standards)

The definitive document is put under approval on the part of the Council. The attendance of half plus one of its members will be necessary and the resolutions will be

taken by majority of their members. In case of an even, the President will have a quality vote.

d. other relevant due process activities

54. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

35

days

Section 6 – Ethics

Responses to questions in this section will provide a description of the legal and professional framework governing ethics standards for accountants in your country. This section focuses on the establishment of such standards. Please indicate the role your organization plays within this framework.

Section 6A – Statutory Framework

55. For each of the following types of professionals, please indicate the name of the **legal authority** and/or self-regulatory rules establishing ethics standards for accountants and auditors in your country, the date of the last amendment of such authority or rules and the name of body responsible for setting the ethics standards.

Type of professional covered	Name of applicable legal authority	Date of last amendment <i>(e.g., MM/YYYY 06/2001)</i>	Name of body responsible for setting ethics standards
Professional Accountants in Public Practice	Monitoring Council of the Public Accountant's Profession and Audit	May 6th 2005	Code of Ethics
Professional Accountants in Business	Monitoring Council of the Public Accountant's Profession and Audit	May 6th 2005	Code of Ethics
Professional Accountants in the Public Sector	Monitoring Council of the Public Accountant's Profession and Audit	May 6th 2005	Code of Ethics
Other <i>(please describe)</i>			

The Council exerts its jurisdiction on the professionals who are enrolled in its registry of professionals.

a. How can IFAC obtain copies of these documents?

www.gobernacion.gob.sv

b. Are the documents available in English? Yes No

Section 6B – Standard-setting

56. For each professional body or standard-setting body responsible for setting ethics standards, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

Name of body responsible for setting ethics standards (as indicated in Q55)	Nature of body	Name of standards
Monitoring Council of the Public Accountant's Profession and Audit	Governmental	Code of Ethics

With respect to each professional body or standard-setting body responsible for setting ethics standards (as indicated in Q55), please answer the following questions. Attach additional pages for each body if necessary.

57. How many voting members does the standard-setting body have?

6 members

58. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

Voluntary..... Employed.....

Both

If both, please describe

They are named by the Ministry of Economy, Ministry of the IRS, Supervision of the Financial System and Values, National Association of the Private Company and Associations.

59. What are the criteria considered in selecting members of the standard setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

To be a proprietary or substitute member of the Council it is required:

- a) To be Salvadoran;
- b) To be authorized as a public accountant by the Council;
- c) To be recognized as a role of morality;
- d) To have performed in the profession at least ten years;

e) To be in the exertion of the citizen rights and to have been in exertion five years previous to its appointment.

The spouses, the relatives, included/understood within the second degree of consanguinity or second of affinity, those relatives of the President or Vice-president of the Republic or of any of the Ministers of State in the expressed degrees, are banned to be members of the Council.

60. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

The Council will be integrated in the following way:

- a) A Director, appointed by the Minister of Economy, who will be the president of the Council;
- b) a Director named by the Minister of the IRS;
- c) a Director named by agreement of the Supervision of the Financial System, and the Supervision of Values;
- d) a Director appointed by the National Association of the Private Company (ANEP), as the top organization representing the private branch;
- e) Two Directors appointed by the associations of accountants, who are properly registered before the Ministry of Home Affairs; both representatives shall not belong to the same association.

Each Director will have his substitute, who will be appointed in the same form that the proprietor and will replace him in his absences.

The substitutes of the Council will be able to attend the sessions with the right to speak but with no right to vote, and will not collect salaries, except when replacing a proprietor, in which case they will bear such rights and obligations.

61. What is the term of appointment for members?

3

Years

The Directors will serve three years in their offices and they could not be appointed by more than two consecutive periods.

62. For how many years has the standard-setting body been in existence?

66

Years

It was passed in 1940 as legislative decree N° 57.

In 2000 the application of the Regulating Law of the Exercise of the Public Accountant's Profession came in force, as noticed in the Official Newspaper N° 42, Volume N° 346, of the 29 of February, 2000.

63. Please indicate the budget of the standard-setting body for the last

169,460.00

(in US \$)

fiscal year.

Note: Please enter a whole number using commas (e.g., 4,000,000)

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

US\$1=8.75

(specify currency)

64. To what entity is the standard-setting body accountable?

Ministry of Economy

65. Describe the due process followed by the standard-setting body. Please include explanations of the following:

The act to be passed is acknowledged. (Reforms or New norm).

A Special Commission for each case is appointed.

A proposal from the special commission is accepted.

It is put under observation of the related associations.

Approval on the part of the Council having studied considering the observations issued by the associations

a. public exposure of standards

Printed notice in the Official Newspaper

Notice printed in the two most read newspapers

Seminary-notice inviting all professionals Printed notice in the Official Newspaper

Notice printed in the two most read newspapers

Seminary-notice inviting all professionals

b. accessibility of meetings (i.e., public or private)

Meetings with associations of the Public Accountant's Profession for its disclosure

c. approval process for final standards (i.e., majority required to approve final standards)

The definitive document is put under approval on the part of the Council. The attendance of half plus one of its members will be necessary and the resolutions will be taken by majority of their members. In case of an even, the President will have a quality vote.

d. other relevant due process activities

66. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

14

days

Section 7 – Education

Responses to questions in this section will provide a description of how education requirements for the profession are established. Please indicate the role your organization plays within this process.

Section 7A – Education Requirements

67. Please describe in general terms the education system in your country including the different stages of education from early childhood education through to tertiary level study. Please indicate which aspects / levels are compulsory as part of the national education system.

Kindergarten	Pre- Kinder / Kinder
First level	1° a 3° Grade
Second level	4° a 6° Grade
Junior High	7° a 9° Grade
High School	10° a 12° Grade
Educación Superior:	
College	5 years each career
Technical	2 years
Special Institutes	3 to 5 years
Post Degree	Master's Degree 2 years Ph. D. from 2 to 4 years

68. Is there a **legal authority** or regulation that specifies the requirements for an individual to operate as an accountant or auditor in your country?

Yes.... No....

If YES, please provide the name and describe the requirements, including any relating to education, experience or qualifications.

69. Please select from below all the relevant key levels of requirements to obtain certification from your member body (i.e. to qualify as a certified or chartered accountant) and provide a general description of the requirement.

Accountant:

Ministry of Education

Accountants, high school graduates in commerce and administration or book keeping, under authorized titles by the State, or by firms dully authorized.

Audit:

Monitoring Council of the Public Accountant's Profession and Audit.

REQUIREMENTS TO BE AUTHORIZED AS A PUBLIC ACCOUNTANT

For the exercise of the public accountant's profession it will be necessary, besides having the quality expressed in the previous article, to observe the following requirements:

a) In the case of natural people:

To be of Salvadoran nationality;

To be of well-known honesty and sufficient competition;

Not to be declared neither in bankruptcy nor in suspension of payments;

To be in the full exertion of his/hers citizen rights;

To be authorized by the Council in accordance to this law;

b) In the case of legal people:

These are formed in accordance to the dispositions of the Code of Commerce. In case of capital societies, their shares shall always be nominative;

The sole purpose is the exercise of the public accountant's office and related matters;

The nationality of it shall be, as well as the one of their main partners, associates or shareholders, Salvadoran;

That one of the partners, shareholders, associated and administrators, at least, is a dully authorized individual to exert the public accountant's office like natural person;

That their partners, shareholders, associated and administrators are of well-known honesty;

That the legal company/signature and representation and the signature of related documents to the public accountant's office or the audit, be exerted only by those who are authorized, as natural people, to exert the public accountant's office.

Academic requirements..... X
Audit: To have a degree as Public Accountant

Professional examinations.....

Practical experience X
Two years of proven audit performance.

Final qualifying examination

Other _____ X
please specify
An interview, with the Inscription and Register commission, must be set in order to get credit for the time performed.

70. Which of the following arrangements best describes who establishes the education requirements for the accountancy profession in your country? *Please select one option.*

- X.... A government ministry, department or agency establishes education requirements for the accounting profession with no additional requirements set by the member body(ies).

- A government ministry, department or agency establishes minimum education requirements for the accounting profession, and member body(ies) supplement these requirements.
- Member body(ies) establishes the education requirements for the accounting profession
- Other (*please describe*)

71. Please provide the name(s) of the relevant body in the government ministry, department, agency and / or member body who establishes the education requirements.

Ministry of Education.

The Ministry of Education authorizes the institutions of superior education its operation by means of executive decree, which are put under sub systems designed by the same, whose main intentions are the quality of the institutions, their academic level and the continuous improvement.

Monitoring Council of the Public Accountant's Profession and Audit, Ministry of Education.

The Ministry of Education authorizes the institutions of superior education its operation by means of executive decree, which are put under sub systems designed by the same, whose main intentions are the quality of the institutions, their academic level and the continuous improvement.

Monitoring Council of the Public Accountant's Profession and Audit, Ministry of Education.

Provide the following information for **each** relevant body (include additional pages for each relevant body where necessary):

- a. A general description of the role of the relevant body(ies) including how it operates.

Ministry of Education.

The Ministry of Education authorizes the institutions of superior education its operation by means of executive decree, which are put under sub systems designed by the same, whose main intentions are the quality of the institutions, their academic level and the continuous improvement.

- b. How many voting members does the relevant body(ies) have
-

- c. Are the members of the relevant body(ies) involved on a voluntary basis or employed by the standard-setting body?

Voluntary Employed

Both

If both, please describe

- d. For how many years has the relevant body(ies) been in existence? Years

72. How would you describe the authority that the education requirements have?

.... Requirements are legally-based.

.... Requirements are set in the constitution, by-laws or other rules of the relevant body(ies).

.... Requirements are set in relevant body(ies) policy document(s).

.... Other (*please explain*)

a. How can IFAC obtain copies of these documents?

www.mined.gob.sv

b. Are these documents available in English? Yes No

73. Are the education requirements for accountants and auditors the same throughout your country, or do they differ among regions, provinces or states?

Same Different

If different, please briefly describe the main differences.

74. Please indicate the scenario that best describes who delivers the education and examination process for members of the profession. *Please select one option.*

.... The education program and final examination are delivered by the member body.

.... The education program and final examination are delivered by the member body and other education institutions (e.g., universities, colleges, and others).

.... The education program and final examination are delivered by education institutions (e.g., universities, colleges, and others).

.... Other (*please explain*)

[All the process is conducted by the Ministry of Education.](#)

75. Once qualified as a member of your professional body, can members offer their services directly to the public?

Yes..... No.....

Section 7B – Licensing

76. Are there licensing requirements for auditors in your country?

.... Yes (continue with Question 77)

.... No (proceed to Section 8)

77. Who sets the requirements to obtain a license?

Monitoring Council of the Public Accountant's Profession office and Audit.

78. What are the requirements to obtain a license (please select all relevant requirements.)?

Academic study specific for obtaining a license

Practical experience

Licensing examination

Other (please describe)

For the exercise of the public accountant's profession it will be necessary, besides having the quality expressed in the previous article, to observe the following requirements:

a) In the case of natural people:

To be of Salvadoran nationality;

To be of well-known honesty and sufficient competition;

Not to be declared neither in bankruptcy nor in suspension of payments;

To be in the full exertion of his/hers citizen rights;

To be authorized by the Council in accordance to this law;

b) In the case of legal people:

These are formed in accordance to the dispositions of the Code of Commerce. In case of capital societies, their shares shall always be nominative;

The sole purpose is the exercise of the public accountant's office and related matters;

The nationality of it shall be, as well as the one of their main partners, associates or shareholders, Salvadoran;

That one of the partners, shareholders, associated and administrators, at least, is a dully authorized individual to exert the public accountant's office like natural person;

That their partners, shareholders, associated and administrators are of well-known honesty;

That the legal company/signature and representation and the signature of related documents to the public accountant's office or the audit, be exerted only by those who are authorized, as natural people, to exert the public accountant's office.

79. Are there ongoing requirements to retain a license?

Yes.... No.....

If YES, please select all relevant requirements.

- | | |
|--|-------------------------------------|
| Continuing professional development | <input checked="" type="checkbox"/> |
| Re-examination | <input type="checkbox"/> |
| Other (<i>please describe</i>) | <input checked="" type="checkbox"/> |

To meet a number of yearly continuous education hours.

80. What entity grants the license?

Monitoring Council of the Public Accountant's Profession and Audit.

81. Describe any additional licensing requirements for auditors of **listed entities** (e.g., additional education requirements, registration, etc.).

Supervision of Values Organic Law

www.superval.gob.sv

Section 8 – Public Sector Accounting Standards

Responses to this section will provide a description of the legal and professional framework governing public sector accounting standards in your country. The section focuses on the establishment of such standards. Please indicate where appropriate, the role of your organization within this framework.

Section 8A – Statutory Framework

82. Please provide the name of the **legal authority** and/or self-regulatory rules establishing public sector accounting standards in your country, the date of last amendment and the name of the body responsible for setting public sector accounting standards. If the standards are different for different entities (e.g., whole of government, ministry/department, statutory authority/agency, profit entity owned by government, state governments, local governments, other [please specify]), please specify the details that apply to each.

Type of entity	Name of legal authority	Date of last amendment <i>(e.g. MM/YYYY 06/2001)</i>	Name of body responsible for setting public sector accounting standards
Whole of government	Internal Revenue System		Government's General Directory of Accountability
Ministry/department			
Statutory authority/agency			
Profit entity owned by government			
State governments			
Local governments			
Other <i>(please specify)</i>			
Other <i>(please specify)</i>			

(a) How can IFAC obtain copies of these documents?

www.mh.gob.sv

(b) Are these documents available in English? Yes No

Section 8B – Standard-Setting

83. For each professional body or standard-setting body responsible for setting public sector accounting standards, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards and whether the standards are cash or accrual basis.

Name of body responsible for setting public sector accounting standards (as indicated in Q82)	Nature of body	Name of standards	Are the standards cash or accrual basis?
Internal Revenue System	Public		Standards cash

With respect to each professional body or standard-setting body responsible for setting public sector accounting standards (as indicated in Q82), please answer the following questions. Attach additional pages for each professional body if necessary.

84. How many voting members does the standard-setting body have?

85. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

Voluntary Employed

Both

If both, please describe

86. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

87. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

Appointed by the Minister of the IRS

88. What is the term of appointment for members?

1

Years

89. For how many years has the standard-setting body been in existence?

Years

90. Please indicate the budget of the standard-setting body for the last fiscal year.

Note: Please enter a whole number using commas (e.g., 4,000,000)

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

(in US \$)

(specify currency)

91. To what entity is the standard-setting body accountable?

Legislative branch

Executive branch

Judicial branch

92. Describe the due process followed by the standard-setting body. Please include explanations of the following:

a. public exposure of standards

Official Newspaper

Best selling newspaper

b. accessibility of meetings (i.e., public or private)

Restricted Access

- c. approval process for final standards (i.e., majority required to approve final standards)

Proposition of the IRS

Acknowledgement and approval by the legislative branch

Approval or veto of the executive branch

Noticed in the Official Newspaper and in the national best selling newspaper.

- d. other relevant due process activities
-
-

93. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

16 days

Section 9 – Private Sector Accounting Standards

Responses to the questions in this section will provide a description of the legal, statutory and professional framework governing private sector accounting standards in your country. The section focuses on the establishment of such standards. Please indicate what role your organization plays within this framework.

Section 9A – Statutory Framework

94. Please provide the name of the **legal authority** and/or self-regulatory rules that establish private-sector accounting standards in your country, the date of last amendment, and the name of the body responsible for setting private sector accounting standards. If the standards are different for different entities (for example, **listed entities**, private companies, governmental organization, not-for-profit organizations, etc.), please specify the requirements that apply to each.

Type of entity	Name of legal authority or applicable rules	Date of last amendment <i>(e.g., MM/YYYY 06/2001)</i>	Name of body responsible for setting private sector accounting standards
Listed entity	Statutory law of the Supervision of Values	04/10/1996 Paper N° 186 Book N° 333	Supervision of Values
Other <i>(please describe)</i>	Law for the Standard Performance of Public Accountability	29/02/2000 Paper N° 42 Volume N° 346	Monitoring Council of the Public Accountant's Profession and Audit.
Other <i>(please describe)</i>	Statutory law of the Supervision of the Financial System	13/02/1996 Paper N° 30 Volume N° 330	Supervision of the Financial System
Other <i>(please describe)</i>	Statutory Law of the Supervision of Pensions	23/12/1996 Paper N° 1243 Volume N° 333	Supervision of Pensions
Other <i>(please describe)</i>			

a. How can IFAC obtain copies of these documents?

www.superval.gob.sv

www.ssf.gob.sv

www.spensiones.gob.sv

b. Are the documents available in English?.....Yes No

Section 9B – Standard-Setting

95. For each professional body or standard-setting body responsible for setting private sector accounting standards, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

Name of body responsible for setting private sector accounting standards (as indicated in Q94)	Nature of body	Name of standards
Monitoring Council of the Public Accountant's Profession and Audit.	Public(Government)	1,International Financial Information Standards Adopted in El Salvador 2, International Audit Standards. 3, Standard for the Audit of the Tributary Obligations Fulfilment. 4. Standard of the Continued Education.

With respect to each professional body or standard-setting body responsible for setting private sector accounting standards (as indicated in Q94), please answer the following questions.

96. How many voting members does the standard-setting body have?

6 members

97. Are the members of the standard-setting involved on a voluntary basis or employed by the standard-setting body?

Voluntary..... Employed.....

Both

If both, please describe

They are named by the Ministry of Economy, IRS, Supervision of the Financial System and Values, National Association of Private Company and Sister Associations.

98. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

To become a proprietary or substitute member of the Council it is required:

- a) To be a Salvadoran citizen;
- b) To be authorized as a public accountant by the Council;
- c) To be recognized as a role of morality;
- d) To have performed in the profession at least ten years;
- e) To be in the exertion of the citizen rights and to have been in exertion five years previous to its appointment.

The spouses, the relatives, included/understood within the second degree of consanguinity or second of affinity, those relatives of the President or Vice-president of the Republic or of any of the Ministers of State in the expressed degrees, are banned to be members of the Council.

99. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

The Council will be integrated in the following way:

- a) A Director, appointed by the Minister of Economy, who will be the president of the Council;
- b) a Director named by the Minister of the IRS;
- c) a Director named by agreement of the Supervision of the Financial System, and the Supervision of Values;
- d) a Director appointed by the National Association of the Private Company (ANEP), as the top organization representing the private branch;
- e) Two Directors appointed by the associations of accountants, who are properly registered before the Ministry of Home Affairs; both representatives shall not belong to the same association.

Each Director will have his substitute, who will be appointed in the same form that the proprietor and will replace him in his absences.

The substitutes of the Council will be able to attend the sessions with the right to speak but with no right to vote, and will not collect salaries, except when replacing a proprietor, in which case they will bear such rights and obligations.

100. What is the term of appointment for members? Years

The Directors will serve three years in their offices and they could not be appointed by more than two consecutive periods.

101. For how many years has the standard-setting body been in existence? Years

It was passed in 1940 as legislative decree N° 57.

In 2000 the application of the Regulating Law of the Exercise of the Public Accountant's Profession came in force, as noticed in the Official Newspaper N° 42, Volume N° 346, of the 29 of February, 2000.

102. Please indicate the budget of the standard-setting body for the last fiscal year. (in US \$)

Note: Please enter a whole number using commas (e.g., 4,000,000)

Please enter the exchange rate used to calculate this number. (specify currency)

Note: Please enter a decimal amount (e.g., 4.0027)

103. To what entity is the standard-setting body accountable?

Ministry of Economy

104. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards

The act to be passed is acknowledged. (Reforms or New norm).

A Special Commission for each case is appointed.

A proposal from the special commission is accepted.

It is put under observation of the related associations.

Approval on the part of the Council having studied considering the observations issued by the associations

-
- b. accessibility of meetings (i.e., public or private)

Meetings with associations of the Public Accountant's Profession for its disclosure

-
- c. approval process for final standards (i.e., majority required to approve final standards)

The definitive document is put under approval on the part of the Council.

The attendance of half plus one of its members will be necessary and the resolutions will be taken by majority of their members. In case of an even, the President will have a quality vote.

d. other relevant due process activities

105. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

16

days

Section 10 – Monitoring (Quality Assurance) and Enforcement

Responses to the questions in this section will provide a description of the legal and professional framework governing regulation of the profession in your country. Please indicate what role your organization plays within this framework.

Section 10A – Securities Market Regulatory Authority

106. Name the authority that regulates the securities market.

Supervision of Values

107. What responsibilities does this organization have for monitoring and enforcing compliance with accounting, reporting or auditing requirements? Please identify the **legal authority** that establishes that responsibility.

The inscription of the Auditing Companies of the stock-exchange organisms. The Legal authority is the Law of Market of Values.

108. Briefly describe the role of the regulatory authority as it relates to the following:

- a. regulation of the audit profession

Under the Monitoring Council of the Public Accountant's Profession and Audit.

- b. accounting and auditing standard setting

Under the Monitoring Council of the Public Accountant's Profession and Audit.

- c. review of financial statements prepared by **listed entities**, and monitoring of their compliance with the accounting and disclosure requirements

The Supervision of Values reviews the financial statements of the values issuing office; the Law does not authorize it to oversee the institutions that are in stock-exchange.

Section 10B – Stock Exchange

109. Name the four largest stock exchange(s) (by market capitalization) and whether it is organized as a profit or not-for-profit organization.

Bolsa de Valores de El Salvador, S.A. de C.V.	Profit..... <input type="checkbox"/>	Not-for-profit . <input checked="" type="checkbox"/>
	Profit..... <input type="checkbox"/>	Not-for-profit . <input type="checkbox"/>
	Profit..... <input type="checkbox"/>	Not-for-profit . <input type="checkbox"/>
	Profit..... <input type="checkbox"/>	Not-for-profit . <input type="checkbox"/>

110. For each of the stock exchanges described above, is there is a mechanism at the stock exchange(s) for monitoring and enforcing financial reporting, accounting and auditing of **listed entities**?

Bolsa de Valores de El Salvador, S.A. de C.V.

Stock exchange #1	Yes..... <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Stock exchange #2	Yes..... <input type="checkbox"/>	No <input type="checkbox"/>
Stock exchange #3	Yes..... <input type="checkbox"/>	No <input type="checkbox"/>
Stock exchange #4	Yes..... <input type="checkbox"/>	No <input type="checkbox"/>

If **YES**, please describe, for each stock exchange, the following (attach additional pages for **each** stock exchange as necessary):

a. How the monitoring and enforcement of financial reporting, accounting and auditing is conducted.

Through it's inside and outside Auditors.

b. The consequences of non-compliance with the financial reporting, accounting or auditing requirements.

N/A

c. How enforcement actions are administered.

N/A

Section 10C – Regulatory Oversight of the Accounting Profession

111. Has an audit profession oversight body been established (e.g., to oversee the external quality assurance review process, etc.)? Yes..... x No.....□

Institution: Supervision of the Financial System (SSF)

If NO, proceed to the next section.

If YES, please describe:

a. The duties of the oversight body

Within the Supervision of the Financial System, there is an evaluation committee for the Companies of Outside Audit which is in charge of the inscription in the registry, in order to allow them to perform as External Auditors in the Financial System.

Compliance with the NPB2-05. Regulation of the Unit for the External Audit of Banks, Financiers and Insurances Societies.

b. The number of members on the oversight body

The committee to evaluate the inscription of the Companies of External Audit is formed by 3 members of the Supervision of the Financial System.

c. Its powers

To authorize or deny the inscription of the auditing companies in the registry of the Supervision of the Financial System.

- d. How the oversight body conducts or oversees a program of inspections to assess the degree of compliance of each audit firm/auditor with applicable auditing standards and regulations

The Supervision of the Financial System assigns a group of auditors, every certain period, for the evaluation to the Financial Organizations of the country, according to the NPB2-05 Regulation of the Unit of External Audit of Banks, Financiers and Insurances Societies. Evaluating simultaneously the external audit practiced by the registered Auditing Company.

- e. The sanctions the oversight body may impose in the event of non-compliance

Administrative sanctions and fines in accordance to the Laws of the Financial System.

- f. How the oversight body is accountable to any public institution or body

The Supervision of the Financial System is an independent institution, which is governed by its statutory law. He is responsible before the Financial Institutions and the Legislative Assembly.

Section 10D – Banks Regulatory Authority

112. Name the authority that regulates the banks and similar financial institutions. Discuss how this authority differentiates between accounting requirements for regulatory reporting and general purpose external financial reporting.

Ley Orgánica de la Superintendencia del Sistema Financiero.

113. Discuss briefly the legal requirements with respect to monitoring and enforcement by the regulatory authority of accounting and auditing standards that apply to the banks and similar financial institutions.

Compliance with the organic law of the Supervision of the Financial System, the Banking Law and the NPB2-05. Regulation of the Unit for the External Audit of Banks, Financiers and Insurances Societies.

114. Briefly describe the role of the regulatory authority as it relates to the following:

- a. regulation of the audit profession

Under the Monitoring Council of the Public Accountant's Profession and Audit.

- b. accounting and auditing standard setting

Under the Monitoring Council of the Public Accountant's Profession and Audit.

- c. review of financial statements prepared by **listed entities**

Under the Supervision of Values.

- d. enforcement of accounting, reporting and auditing requirements

Ruled by the Code of Commerce.

<p style="text-align: center;">Section 10E – Non-Banking Financial Institutions Regulatory Authority</p>

115. Name the regulatory authority(ies) responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements imposed on non-banking institutions.

<p style="text-align: center;">Ley Orgánica de la Superintendencia del Sistema Financiero</p>

116. What is the source of **legal authority** of the regulatory authority(ies)?

The Statutory law of the Supervision of the Financial System and the Law of non Banking Financial Intermediaries.

117. Briefly describe the role of the regulatory authority(ies) as it relates to the following:

- a. regulation of the audit profession

Monitoring Council of the Public Accountant's Profession and Audit.

- b. accounting and auditing standard-setting

[Under the Monitoring Council of the Public Accountant's Profession and Audit.](#)

- c. review of financial statements prepared by **listed entities**

[Ruled by the Supervision of Values.](#)

- d. enforcement of accounting, reporting and auditing requirements

[Ruled by the Code of Commerce](#)

Section 10F – Insurance Companies Regulatory Authority

118. Name the regulatory authority responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements imposed on insurance companies.

Ley Orgánica de la Superintendencia del Sistema Financiero

119. What is the source of **legal authority** of the regulatory authority(ies)?

[The Statutory law of the Supervision of the Financial System and the Law of Societies.](#)

120. Briefly describe the role of the regulatory authority(ies) as it relates to the following:

- a. regulation of the audit profession

[Under the Monitoring Council of the Public Accountant's Profession and Audit.](#)

- b. accounting and auditing standard setting

[Under the Monitoring Council of the Public Accountant's Profession and Audit.](#)

- c. review of financial statements prepared by **listed entities**

[Under the Supervision of Values.](#)

- d. enforcement of accounting, reporting and auditing requirements

[Ruled by the Code of Commerce.](#)

Section 10G – Other Regulatory Authority

121. Name any other regulatory authority(ies) responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements.

Supervision of Values.
Supervision of the Financial System.
Supervision of Pensions.
Court of Accounts of the Republic.

122.W
ha

What is the source of **legal authority** of each regulatory authority?

Statutory law of the Supervision of Values.
Statutory law of the Supervision of the Financial System.
Statutory law of the Supervision of Pensions.
Law of the Court of Accounts of the Republic.

123. Briefly describe the role of these other regulatory authority(ies) as it relates to the following:

- a. regulation of the audit profession
-

- b. accounting and auditing standard-setting
-

- c. review of financial statements prepared by **listed entities**

[They are overseen by the Supervision of Values](#)
[Inside Audit](#)
[Outside Audit](#)

d. enforcement of accounting, reporting and auditing requirements
In accordance to the laws related

Section 10H – Quality Assurance

124. Does any organization of professional accountants/auditors organize a program of quality assurance review to monitor compliance with accounting, reporting and auditing requirements? YesX No

If NO, proceed to the next Section.

If YES, briefly describe the monitoring and enforcement mechanism.

A quality program is carried out annually.

A selection of enrolled professionals by means of statistical formula is built.

The revision process is notified by means of notice of the Council in which the name of the professional who performed the revision is included, date and hour as well.

The revision is based on the Control of Quality in the accomplishment of the work of audit on the part of the enrolled professionals who exert the profession.

125. Under what authority does the organization conduct the program of quality assurance review

The regulating office of the profession (Quality Control Standard)

126. Who performs the review (e.g., one firm reviewing another firm, staff from the national professional organization, contractors, or a combination of these)?

The revision is performed by reviewers named by the Monitoring Council of the Public Accountant's Profession and Audit.

Section 10I – Investigation and Discipline

127. Is there a process for investigating and disciplining the accounting profession in your country? Yes X No.....

128. Which of the following best describes the responsibility for the investigatory and disciplinary function in your country?

...Government or other agencies are solely responsible for this function.

....Government or other agencies have this responsibility, but the member body or bodies participate in the process.

....Government formally delegates this function to the member body or bodies, to exercise on its behalf.

... Member body or bodies have separate and independent processes that operate alongside processes of legal authorities.

Other (please describe)

129. Please indicate the name of the body or bodies responsible for investigation and discipline.

Monitoring Council of the Public Accountant's Profession and Audit

130. How many voting members does the body have?

6 members

The Directors will serve three years in their offices and they could not be appointed by more than two consecutive periods.

131. Are the members of the body involved on a voluntary basis or employed by the standard-setting body?

Voluntary..... Employed.....

Both

If both, please describe

They are named by the Ministry of Economy, Ministry of the IRS, Supervision of the Financial System and Values, National Association of the Private Company and Associations.

132. What are the criteria considered in selecting members of the body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

To be a proprietary or substitute member of the Council it is required:

a) To be Salvadoran;

b) To be authorized as a public accountant by the Council;

c) To be recognized as a role of morality;

- d) To have performed in the profession at least ten years;
- e) To be in the exertion of the citizen rights and to have been in exertion five years previous to its appointment.

The spouses, the relatives, included/understood within the second degree of consanguinity or second of affinity, those relatives of the President or Vice-president of the Republic or of any of the Ministers of State in the expressed degrees, are banned to be members of the Council.

133. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

The Council will be integrated in the following way:

- a) A Director, appointed by the Minister of Economy, who will be the president of the Council;
- b) a Director named by the Minister of the IRS;
- c) a Director named by agreement of the Supervision of the Financial System, and the Supervision of Values;
- d) a Director appointed by the National Association of the Private Company (ANEP), as the top organization representing the private branch;
- e) Two Directors appointed by the associations of accountants, who are properly registered before the Ministry of Home Affairs; both representatives shall not belong to the same association.

Each Director will have his substitute, who will be appointed in the same form that the proprietor and will replace him in his absences.

The substitutes of the Council will be able to attend the sessions with the right to speak but with no right to vote, and will not collect salaries, except when replacing a proprietor, in which case they will bear such rights and obligations.

134. What is the term of appointment for members?

3

Years

135. For how many years has the body been in existence?

66

Years

It was passed in 1940 as legislative decree N° 57.

In 2000 the application of the Regulating Law of the Exercise of the Public Accountant's Profession came in force, as noticed in the Official Newspaper N° 42, Volume N° 346, of the 29 of February, 2000.

136. Please indicate the budget of the body for the last

\$ 169,460.00

(in US \$)

fiscal year.

*Note: Please enter a whole number using commas
(e.g., 4,000,000)*

Please enter the exchange rate used to calculate
this number.

US\$ 1 = 8.75

(specify currency)

Note: Please enter a decimal amount (e.g., 4.0027)

137. To what entity is the body accountable?

[Ministry of Economy](#)

138. Approximately how many days per year does the body meet in full session (including teleconferences)?

20

days

On completion of the Assessment of the Regulatory and Standard-Setting Framework, please print and complete this Certification of Chief Executive. The certified copy should be mailed or couriered directly to:

Sylvia Barrett
Technical Manager
Member Body Compliance Program
IFAC
545 Fifth Avenue, 14th Floor
New York, NY 10017 USA
E-mail: sylviabarrett@ifac.org

Certification of Chief Executive

I, _____, _____
(name of Chief Executive or equivalent) *(title)*

of _____
(name of member body)

have overseen the completion of the IFAC Assessment of the Regulatory and Standard-Setting Framework and confirm that the information contained in it is complete and accurate.

Signature

Title

Name of Member Body

Date

Thank you! You have reached the end of the IFAC Assessment of the Regulatory and Standard-Setting Framework. Please be sure to submit your responses electronically no later than June 1, 2004.

Please send all supplementary materials via e-mail, courier or postal mail identifying which questions they relate to by June 1, 2004 directly to:

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