

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

### **Use of Information**

Please refer to the [Disclaimer](#) published on the Compliance Program website.

## **ACTION PLAN**

<b>IFAC Member:</b>	Salvadoran Institute of Certified Public Accountants (ISCP)
<b>Approved by Governing Body:</b>	Salvadoran Institute of Certified Public Accountants (ISCP)
<b>Original Publish Date:</b>	October 2010
<b>Last Updated:</b>	August 2019
<b>Next Update:</b>	August 2022

---

<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

## GLOSSARY

<b>CCC</b>	Quality Control Committee
<b>ISCPs</b>	Salvadoran Institute of Certified Public Accountants
<b>CVPCPA</b>	Oversight Council of the Profession of Public Accounting and Auditing
<b>PARL</b>	Public Accounting Regulatory Law
<b>SMOs</b>	Statements of Membership Obligations
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IESs</b>	International Education Standards
<b>IESBAs</b>	International Ethics Standards Board for Accountants
<b>IFRSs</b>	International Financial Reporting Standards
<b>IPSASs</b>	International Public Sector Accounting Standards
<b>IPSASB</b>	International Public Sector Accounting Standards Board
<b>ISA</b>	International Standards on Auditing
<b>NIA</b>	International Standards on Auditing
<b>NIIF</b>	International Financial Reporting Standards
<b>NIFs</b>	International Education Standards
<b>PAC</b>	Quality Assurance Program
<b>PyMEs</b>	Small and Medium Sized Entities
<b>QA</b>	Quality Assurance System
<b>SME</b>	Small and Medium Enterprise
<b>SMOs</b>	Statements of Membership Obligations
<b>CBD</b>	Central Board of Directors
<b>CSMO-1</b>	Quality Control Committee
<b>CSMO-2</b>	Education Standards Committee
<b>CSMO-3</b>	Professional Standards Committee
<b>CSMO-4</b>	Ethics Committee
<b>CSMO-5</b>	Public Sector Committee
<b>CSMO-6</b>	Investigation and Discipline Committee
<b>DAC</b>	Accounting Update Program
<b>UIC</b>	University Interchange Committee
<b>GOES</b>	Government of El Salvador
<b>SSF</b>	Superintendence of the Financial System

**Action Plan Subject:** General Description of Organization, Environment and Goals of the Action Plan  
**Action Plan Objective:** Describe Regulatory and Standard-Setting Framework, Governance, Challenges and Key Success Factors

### **General Background**

The Salvadoran Institute of Certified Public Accountants (ISCP) was constituted on October 31, 1997, as a non-profit association, nonpolitical, that was created by the fusion of what was: The College of Salvadoran Academic Public Accountants, The Association of Certified Public Accountants, and the College of Public Accountants. The objective of the ISCP is to promote a program in order to increase the quality and quantity of the training needed for the development of professional public accountants, increasing the number of participants, both within and outside of our office premises. Within the five-year plan 2018 to 2022, we plan to have developed 29,890 participants. For this, we have established goals in the areas of number of participants, members, revenue, and profits. Such goals are contemplated in a five year plan, considering the vision of ISCP and of the SMOs. Our purpose is to exist in order to strengthen the capacities and abilities of the professional accountant in all areas in which they make their professional work, including, protecting and defending the exercise of our profession.

Since its establishment, the ISCP has managed to maintain filial offices in the representative areas of El Salvador, located in the departments of San Miguel, Santa Ana and Sonsonate, who are organized with their respective boards of directors that follow the guidelines and strategies of the Board of Directors. Central.

The ISCP, as an Associate of IFAC, is monitoring the new pronouncements issued by the IAASB, IAESB, and the IPSASB and based on any new declarations, will adjust to what is in force in El Salvador by the regulatory body (CVPCPA)

### **Regulatory and Standard Setting Framework**

The Oversight Board of the Profession of Public Accounting and Auditing (CVPCPA), has the objective and function of giving compliance to the Regulatory Law of the Public Accounting Profession, establishing ethical and technical standards that regulate the accounting profession, the auditors and the public accountants According to the dispositions set forth in the Law, its bylaws, and other applicable regulations; as such, being the authority in El Salvador in order to define the accounting and auditing standards in El Salvador. In 2003, the International Financial Reporting Standards (IFRS) and the International Auditing Standards (IAS) were adopted, and in 2009, the International Financial Reporting Standards for Small and Medium Sized Entities (IFRS) and their updated Spanish versions were adopted in 2016. In conformity with the Accounting Act of the Accountancy Exercise (LREC), the ISCP keeps a representative in the CVPCPA, the tasks of such representatives include giving permanent assistance and influence in the CVPCPA, on: 1) the formulation of law projects and necessary by laws to regulate the profession, as well as any regulations, previous to the approval of such; 2) set the general standards for the preparation and presentation of the financial statements and supplementary information of the subject entities; 3) Determine the principles and standards based on which, the companies should keep the accounting books and establish the valuation criteria for assets, liabilities, and constitution of provisions, accumulated reserves, etc. 4) in order to approve the accounting principles and generally accepted international standards of auditing, including financial standards, when the law has not been expressed on them; and collaborate with the promotion of ethical standards, and other technical or ethical dispositions that have to be complied with in the exercise of the profession.

In January 2018, the Code of Ethics for Professional Accountants, emitted for the International Ethics Standards of Accountants (IESBA), its validity was concluded by the CVPCPA and a new Local Code of Ethics was put into effect. However, the ISCP will continue to disclose IFAC regulations among its members; However, at the initiative of the ISCP, in December 2018, the new Board of Directors of CVPCPA was asked to evaluate, analyze and re-implement the IFAC Code of Ethics, this was achieved and El Salvador will have the IFAC Code of Ethics for 2019.

### **Governance Framework**

The Governance of the ISCP is integrated by the following organisms: The General Assembly of Associates and the Central Director's Board. The affiliate boards will report and coordinate communication with the Central Director's Board. The ISCP has established permanent working commissions and committees, as an answer to the needs that are presented for the adequate performance of the activities. The ISCP has created an Administrative Director position and an Academic Director position, actually these positions are being held by Rosibel de Hernández and Rene Paniagua,. Each member of the Board of Directors has been assigned as leader to develop, follow up, and report once a month to the Board of Directors, the work developed in compliance with the requirements of each SMO. Each Commission counts with different specific and permanent Committees, in order to fulfill the specific requirement of each SMO, where we have direct impact, such as continuing education. These Committees are coordinated by the respective leader, like this keeping an adequate orientation of the activities that have to be performed, as well as to obtain constant feedback. For more information please visit our web site: [www.iscpelsalvador.com](http://www.iscpelsalvador.com).

### **Challenges and Key Success Factors**

The current Central Board of Directors will perform their leadership for the period two years; the current board of directors has been elected for the period of March 2019 to March 2021. The majority of its members had been performing on previous Board of Directors, achieving the continuity of the previously established action plans.

The main actions taken by the current Board of Directors is following a strategic plan for the ISCP. A summary of the referred strategic plan, includes the Key Performance Indicators to pursue and achieve for the 2018-2022 period; these are the following: Number of participants: get to 29,890 in 5 years; Members: get to 1,575 in 5 years, Revenue: get to \$ 600K in 5 years, Profit: get to 3.9% of total income each year. For this we have defined our values, which are the following: 1) Comply with our goals, 2) Remain conscientious of our image at all times, 3) Maintain and promote a good continued communication, and 4) Be professional and promote ethical behavior.

Congruently, we have established 4 strategic initiatives: 1) Create and develop a commercial strategy for affiliation, 2) Develop the process of courses and seminars of continuing education on the ISAs, IFRSs, ethics, taxes and commerce laws, additionally by the changes in The LREC will include training for business accountants 3) Develop plans of investment and budgeting, and 4) Align to the IFAC requirements in alignment with our institutional vision. This has taken us to create 11 key performance indicators in the areas of finance, membership, processes and resources, aligned with our strategy: 1) Profitability, 2) Increase of Revenue, 3) Efficiency in Costs, 4) Training with real impact, 5) Support for accounting students in universities, 6) Technical Support web, 7) Divulcation and ethical support, 8) External communication of events, 9) Planning of events, 10) Evaluation of events, and 11) List of trainers.

For conducting this strategy we have created the necessary commissions for its administration. These commissions are the following: Administrative and Finance Commission, University Interchange, Continued education, Ethics, etc.

<b>Priorities for 2019</b>		
<p>Conclude with the modifications of the ISCP statutes in order to promote the inclusion of new professionals from the economic sciences who participate in the training events designed by the ISCP as part of the continuing education programs.</p> <p>Strengthen the dissemination and promotion of the ethical requirements issued by IFAC, performing activities in order to strengthen the financial position of our Institution, including growing in different levels of associates. Another priority is to maintain constant communication with the affiliate boards so that they will be in line with our objectives, mission and institutional vision. This will allow you to give an adequate follow-up to the present plan.</p>		
<b>Projects</b>		
<p><i>The main projects to execute in this period 2019 are the following:</i></p> <ol style="list-style-type: none"> <li><i>1. The activities of adhesion of news members of the ISCP will be strengthened, and development activity for motivate the permanence of the existing ones as part of the membership. Some of the activities to be developed are</i> <ol style="list-style-type: none"> <li><i>b) Membership program in all Filial offices and office main starting from the participants to events</i></li> <li><i>c) Develop and disseminate direct benefits to members</i></li> <li><i>d) Improve communication through social networks</i></li> <li><i>e) Encourage participation to training events</i></li> </ol> </li> <li><i>2. Annual continuous education programs - which includes continuous educational themes related to IFRS, ISAs, TAX and other materials, the contents of the programs are changed every quarter, with the aim of improving the abilities and expertise of the participants. This program will include continuing education activities for accountants in accordance with the modifications of the LREC</i></li> <li><i>3. Program for institutional transformation - which corresponds to the actualization of the ISCP statutes.</i></li> <li><i>4. Ethical culture program - which includes activities related to the changes of the Code of Ethics for Professional Accountants of the IFAC, with the aim of creating culture, by means of obtaining knowledge of threats and professional safeguards.</i></li> </ol>		
<b>Update IFAC Action Plan</b>		
1.	Evaluate progress against Action Plan activities	Semi-Annually
2.	Update Action Plan	Annually

**Action Plan Subject:** SMO 1–Quality Assurance

**Action Plan Objective:** System of Quality Assurance

Background:

The ISCP has no, direct, responsibility for establishing a system of quality control, as the law assigned this responsibility to the CVPCPA. Who implements the quality control program to all auditors accredited by the Supervisory Board (CVPCPA)

Based on the above, the ISCP has continued to utilize its best efforts to exhort the CVPCPA to follow the requirements established by DOM-1 in its Annual Quality Control Program (PAR), which documents the System of Quality Assurance (SQA). Furthermore, the ISCP will assist in the development of, and compliance with, the PAR, motivating its more experienced members to act as reviewers in the annual quality control program.

The PAR has been functioning since 2009; and that the firms have an SQA, and that a review of quality control exists for all audits of financial statements, audits of compliance with fiscal (audits) and other related services (RS), both in the case of the services provided to private and public entities. Starting from December, 2014 reviews of the quality control of related services has been included, such as the audit of compliance with the tax.

The quality review programs commence with the selection of the financial statements registered in the National Registration Center (CNR), where any of the auditors who have issued audit opinions, may be selected for review.

The ISCP uses the report relating to deficiencies, as the basis for the annual program for professional development (PDP).

On the basis of the above-mentioned activities carried out by the ISCP, the CVPCPA; it was concluded that the requirements established by the DOM-1, are being adequately complied with both at the level of organizational members and a jurisdictional level.

2018 Update

During 2018, the ISCP maintained permanent activities with the CVPCPA, assessing and advising in the PAC, disclosing the areas that were determined to be weak or insufficient by the public accountants engaged in the auditing and tax professions; and included in the DAC program themes aimed at strengthening the identified areas.

The representative of the ISCP in the CVPCPA, issued monthly reports to the Board of Directors of the ISCP, concerning all the relevant aspects reviewed by this regulatory entity, with the aim of providing feedback on the actions that should be taken to strengthen and safeguard the accounting professionals.

During 2018 in the ISCP web page, all of the communications and events related to accounting updates were stored, with the aim of strengthening the capacity of professional accountants, and constantly inviting them to participate in the programmed events, with the aim of assisting them to develop their abilities and expertise.

Through the presence of our representative we have continued to exercise significant influence in the decisions and actions of the CVPCPA regarding the annual program carried out by such regulatory organism. The member representing the ISCP reports to the Central Board of Directors (CBD) at least one a month. During 2018, topics related to quality control of professional service commitments were included in the continuing education programs.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Steps Maintain an Effective System of Quality Assurance</i>					
1.	January 2017 December 2017	Follow up and analysis of Quality Assurance Program (PAC) developed by the CVPCPA	under implementation	CSMO-1	<ul style="list-style-type: none"> <li>• ISCP</li> <li>• Members of CSMO-1</li> </ul>
2.	March 2016	Annual presentation of the PAC 2018 results, and corrective actions, to the membership.	September 2020	CSMO-1	<ul style="list-style-type: none"> <li>• ISCP</li> <li>• Members of CSMO-1</li> </ul>
3.	April 2014	Beginning with the PAC 2018 obtained results, elaborate a training program in the areas of improvement, and propose it to the Academic Director, in order to be approved by the Central Board of Directors.	under implementation	CSMO-1	<ul style="list-style-type: none"> <li>• ISCP</li> <li>• Members of CSMO-1</li> </ul>
4.	Ongoing	Document the communication between the CSMO-1 and the CVPCPA.	Ongoing	ISCP and CSMO-1	<ul style="list-style-type: none"> <li>• ISCP</li> <li>• Members of CSMO-1</li> </ul>
5.	February 2009	Assure by means of monthly reports to the Board of Directors of the ISCP that the representing us in the CVPCPA, continue in key positions in order to influence in the diffusion and orientation of the regulators in the quality control theme.	Ongoing	Directors representatives in the CVPCPA and Board of Directors	<ul style="list-style-type: none"> <li>• Directors</li> </ul>
6.	August 30, 2008	Obtain external support in order to improve the Web page and the developments of technical material of support in the virtual library	Ongoing	CSMO-1	<ul style="list-style-type: none"> <li>• 1 person in communication</li> <li>• Staff of professionals, collaborators (writers)</li> <li>• Web page of ISCP</li> </ul>

7.	February 03, 2009	<p>Give ongoing follow up to the Commission of University Interchange in their best efforts to incorporate the plan of studies related to the quality control of the exercise of the public accounting at El Salvador.</p> <p>In relation to the universities: assure that the proposal for standardizing the content of the accounting career programs, on the issues related with quality control has been adapted by the universities.</p>	Ongoing	Commission of University Interchange	<ul style="list-style-type: none"> <li>• All the Representatives</li> </ul>
8.	February 2015	<p>Follow up of PAC 2018 that will perform the CVPCPA, assuring that other areas of related services provided by authorized public accountants will be covered, and the 2019 program includes the minimum requirements demanded by SMO 1.</p>	Ongoing	CSMO-1 Board of Directors, CVPCPA	<ul style="list-style-type: none"> <li>• Directors of ISCP in CVPCPA</li> <li>• Members of CSMO-1</li> <li>• Board of Directors</li> </ul>
9.	June 2015	<p>Divulge at all Associates the quality imperatives focused in the audit of financial statements, as a reference for good practices in audits.</p> <p>Promote that the CVPCPA support these quality imperatives in their communications with the authorized public accountants.</p>	Ongoing	CSMO-1	<ul style="list-style-type: none"> <li>• Directors of ISCP in CVPCPA</li> <li>• Members of CSMO-1</li> </ul>
<i>Maintaining Ongoing Processes</i>					
10.	Ongoing	<p>Assure through annual reviews that the quality level of the PAC developed by the CVPCPA, is in compliance with the components of SMO 1.</p>	Ongoing (Every year in December)	CSMO-1	<ul style="list-style-type: none"> <li>• Directors of ISCP in CVPCPA</li> <li>• Members of CSMO-1</li> </ul>
<i>Review of ISCP's Compliance Information</i>					
11.	October 2013	<p>Perform review of revised SMOs and ISCP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated Action Plan.</p>	February to march each year	CSMO-1	<ul style="list-style-type: none"> <li>• Directors of ISCP in CVPCPA</li> <li>• Members of CSMO-1</li> </ul>



**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB  
**Action Plan Objective:** Continue with the IES requirements and insert it in the ongoing education program of the ISCP

**Background:**

The International Education Standards (IESs), the International Statements concerning Formation Practices (DIPF) and the informative documentation relating to formation (DIF), have been adopted as a reference point and are closely related to the adoption of the ISAs by the CVPCPA, starting from March 1, 2003, in accordance with resolution R01 / 0603/2003.

The ISCP constituted the University Exchange Commission, integrated by representatives from accounting schools and universities in El Salvador. This commission has been promoting the use of the IESs and the documentation related to theoretical and practical training in the universities. The ISCP has used the IESs as the basis for the design of its DPC program.

Starting in 2014, the representatives of the ISCP in the CVPCPA, have used their best efforts to increase the minimum continuous education requirements for public accountants to 40 hours per year, distributed in the following areas:

- IFRS-12 hours
- ISA-12 hours
- Ethics-4 hours
- Taxes-4 hours
- Mercantile and other laws-8 hours

Based on the above requirement, the ISCP designed, and developed, the annual PAC program.

The LREC establishes, in a similar way to other countries in the region, that main requirement to be accredited by a public accountant. It is faculty of the CVPCPA as national regulatory organism by law, and has the faculty to approve the professional accountants as certified public accountants in order to be able to exercise the audit function, by providing a registration number. If an individual wishes to practice as Professional Accountants in Public Practice and Professional Accountants in Business, they must achieve the title of CPA and be registered with the CVPCPA. The CVPCPA has established requirements for Continuing Professional Development (CPD) for all CPAs - as membership in the CVPCPA is mandatory for all CPAs, therefore CPD requirements are mandatory as well. Members are required to maintain and develop their competences by taking a minimum number of 40 hours of CPD per year provided by approved training institutions. Non-compliance with CPD may result in removal from the Accounting profession. ISCP has signed an agreement with the CVPCPA to allow it to undertake the provision of approved training courses for CPD credit

Although ISCP, does not maintain a certification examination, the organization has been undertaking strong efforts to correct this situation and align its educational activities of the organization with IAESB International Education Standards (IESs) .ISCP has been actively working to support the activities of the Board of Professional Associations of El Salvador (CAPES) in their efforts to change the current legislation of the country to allow professional associations (all including accounting and auditing) to require the passage of a certification examination in order to be considered a professional person. Presently, the requirement for passage of a certification examination is against the law. As such, the work of CAPES is an effort to finish such a requirement. In preparation for the next step - the development of a system of certification, ISCP has been communicating with IFAC member bodies in Brazil and Mexico to learn more about their systems of certification, obtaining information on the practice carried out in those regions, however at the date, the amended Regulatory Law, does not allow opting for this option.

**2018 Update:**

The UIC has held regular meetings during, providing a continuation of the themes related to the IESs, and have achieved the implementation of the contents of the IESs in the in the university programs; with the aim of improving the abilities and expertise of the public accountants in their formation.

Since 2015, the academic division of the ISCP considered the requirements of the IESs in the design of its DAC. Both the DAC and the UIC have used their best efforts to utilize the IESs as a reference point in the educational plans of the universities; specifically related to the IESs "Values, ethics and professional attitude."

During 2018 the ISCP managed to train more than 5,210 (4,500 last year) Professional Public Accountants and students.

The UIC held monthly meetings with academic representatives from the Universities in El Salvador, informing them about accounting updates, and the development of the XIX Annual Congress for public accounting and economic students in May 2018 achieving the participation of more than 1100students; the event treated themes relevant to accounting update. The presentations were presented by highly qualified international and national exhibitors.

Additionally, in September 2018, the first tax forum was held, promoting the discussion of tax issues with the participation of specialists in this area; The ISCP will hold the second tax forum in September 2019, in order to provide a scenario for discussion of this tax specialization

The ISCP has instituted a specific committee in order to follow the specific plans detailed below in order to comply with the requirements of the International Education Standards (IES); the committee name is CSMO-2 Education Standards Committee, The Board of Directors has given follow up to the curricula to comply with the requirements of the International Standards of Education (IES);. Some of the responsibilities of this committee are: a) to promote the continuous education of the public accountant, b) evaluation of the academic content and the quality of the teaching of the facilitators c) to support the academic direction in the continuing education programs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Raise Awareness of the Requirements of IESs and Begin Application to University Education</i>					
12.	October 2013	Continue with the IES requirements and insert it in the ongoing education program of the ISCP.	ongoing	Academic Director	<ul style="list-style-type: none"> <li>• Academic Director of ISCP</li> <li>• Board of Directors</li> <li>• Group of speakers</li> </ul>
13.	October 2013	Give follow up to the university plans in the forming of public accounting bachelors in order to assure that it includes the requirements of SMO 2, assuring like this, the professional competence of the public accountants in formation.	November 2019	University Interchange Commission	<ul style="list-style-type: none"> <li>• ISCP</li> <li>• Board of Directors</li> <li>• Commission of University Interchange</li> <li>• Voluntaries</li> </ul>
14.	October 2013	Continuing support the CVPCPA in its divulging labor of the national continued education standard and review of the compliance of all its parts.	annually, in December of each year	CSMO-2	<ul style="list-style-type: none"> <li>• Members of ISCP in the CVPCPA</li> <li>• Members of CSMO-2</li> </ul>

15.	October 2013	Continue the support to the Commission of University Interchange through the virtual libraries and two-way communication in the disclosure of the IES-4 (Values, Ethics, and Professional Attitude) in universities. Continue participating with the Regulatory Entity in the disclosure towards the accounting profession in general, using, the web page of the ISCP, and congresses.	Permanent Activity	CSMO-2	<ul style="list-style-type: none"> <li>• Academic Director of ISCP</li> <li>• Members of CSMO-2</li> <li>• Members of University Interchange Commission</li> </ul>
16.	October 2014	Develop the annuals programs for the knowledge and compliance of IES-5 (Practical Experience Requirements), focusing in a development plan of basic abilities of accountants in formation, and certification of such, as a requirement for the insertion of them in a temporal program in order to work in the most representatives audit Firms of our country.	ongoing	CSMO-2	<ul style="list-style-type: none"> <li>• University Interchange Commission</li> <li>• Members of CSMO-2</li> <li>• Representatives of Audit Firms of the country</li> </ul>
17.	October 2014	Maintaining the requirements of IES-3 in the annuals programs of continued education, in order to increase the level of abilities: intellectual, technical, functional, personal, interpersonal and communication, management and organization abilities of its members at a student level and professional level.	Permanent Activity	Academic Director of ISCP and CSMO-2	<ul style="list-style-type: none"> <li>• Members of CSMO-2</li> </ul>
18.	October 2014	Review the results of the communication of the continued education program and compliance of such by the certified public accountants approved by the CVPCPA, in order to assure that the members of ISCP have complied with the national continued education standards; and take corrective actions to the disclosure and compliance strategy.	annually	CSMO-2	<ul style="list-style-type: none"> <li>• Directors of ISCP in the CVPCPA</li> <li>• Board of Directors</li> <li>• Members of CSMO-2</li> </ul>

*Continue Discussions About the Importance of a Professional Examination and Requirements of Professional License*

19.	2014	Keep a strong communication and influence with the profession regulators in order to strengthen the requirements of supervision and control of the practical experience that the CVPCPA is requesting for the approval of a professional license of the public accountants, incorporating the requirements established in IES-5 (Requirements of practical experience); in the same way, diagnose if the requirements demanded by the SSF in order to approve public accountants that can audit financial statements of banks or public companies are in line with the requirements of IES-5.	Ongoing	<ul style="list-style-type: none"> <li>• Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Directors of ISCP in the CVPCPA</li> <li>• Board of Directors</li> <li>• Members of ISCP in CAPES</li> </ul>
20.	2014	Update the proposal of Assessment of professional capacity and competences that the CVPCPA must demand, in relation with the requirements of IES-6 and in conformity to the certification requirements of the professional association laws to be approved.	December 2019	CSMO-2	<ul style="list-style-type: none"> <li>• Directors of ISCP in the CVPCPA</li> <li>• Academic Director of ISCP</li> <li>• Members of CSMO-2</li> </ul>
21.	2014	Disclose the proposed improvements to processes of certification, through the mechanisms of communications which are available as Web page, newsletters, social networking, e mail.	every time it happens, the ISCP members are informed	Membership Commission or Directors	<ul style="list-style-type: none"> <li>• Members of Membership Commission</li> </ul>
22.	2014	In coordination with the public accounting university authorities, strengthen the juries that assess the final papers in order to graduate as a public accountant, that are assigned by universities, in the knowledge of the requirements of IES-6 and achieve that all this juries are associated to the ISCP in order to filter that the final concession of the public accountant title is according to the requirements monitored by the ISCP.	ongoing	CSMO-2	<ul style="list-style-type: none"> <li>• University Interchange Commission</li> <li>• Members of CSMO-2</li> <li>• University Juries</li> </ul>

<i>IES 8</i>						
23.	October 2014	Maintaining the plan to monitor the members that are in career formation, to assure that they are in the way of complying with requirements established in IES-8 in all its parts.	Pending	CSMO-2	<ul style="list-style-type: none"> <li>• ISCP Board of Directors</li> <li>• Commission of University Interchange</li> <li>•</li> </ul>	
24.	January 2013	Maintaining the plan to monitor the certified public accountants approved by the CVPCPA, in order to assure their compliance with IES-8 respect to their abilities to act as transnational entities auditors.	Pending	CSMO-2	<ul style="list-style-type: none"> <li>• Directors of ISCP in the CVPCPA</li> <li>• Members of CSMO-2</li> </ul>	
<i>Maintaining Ongoing Processes</i>						
25.	Ongoing	Ensure through annual reviews, that the requirements to enter the profession, professional education, professional examinations, practical experience, and ongoing education are in compliance with the requirements of SMO 2.	(Every year in December) is related to provisions of the CVPCA	<ul style="list-style-type: none"> <li>• ISCP Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Directors of ISCP in the CVPCPA</li> <li>•</li> </ul>	
<i>Review of ISCP's Compliance Information</i>						
26.	2014	Perform review of revised SMOs and ISCP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated Action Plan.	annually	<ul style="list-style-type: none"> <li>• ISCP Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Commission of University Interchange</li> <li>• Voluntaries</li> </ul>	

**Action Plan Subject:** SMO 3–International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Use Best Endeavors to Improve Implementation of ISAs.

**Background:**

The representative of the ISCP in the CVPCPA had significant influence in the adoption of the ISAs, by means of resolution R02 / 09/1999 ratified by means of R11 / 12/2011, to use these standards as the technical reference in the audits of financial statements; furthermore the SSF requires by means of the Prudential Standard for Banks NPB2 -07, that in the audits of Banks, insurance companies, pension funds and other financial intermediaries, that the ISAs must be utilized. Additionally, resolution RCTG-1/2010 issued by the Superintendence of the Stock Exchange establishes the ISAs as the minimum requirement for the audits of the financial statements of entities listed on the stock exchange, based on IASs. It is in effect during 2018.

Starting from the year 2000, the ISCP has ensured that the CVPCPA is informed of the events related to the disclosure of significant changes in the ISAs.

The Diplomas for Accounting Updates (DAC) which have been developed since 2014, have permitted the updating of the knowledge of the public accountants with regard to new, proposed and revised accounting standards; ensuring that the professional accountants exercising the auditing profession, are fully updated; including the use of the Guide to Using International Standards on Auditing in the Audits of Small and the Guide to Practice Management for Small and Medium-Sized Practices was prepared by the Small and Medium Practices Committee of the International Federation of Accountants (IFAC). Furthermore, we have been coordinating, with the IASB Foundation, the purchase of current professional literature relating to the IFRS, in order to make this information available for the CPAs in El Salvador. **2017 Update**

The ISCP maintained an active participation in the CVPCPA to disclose, and adopt, the latest regulations issued and the latest declarations regarding the ISAs issued in Spanish, being the following; Handbook of international Quality control, auditing, review, other Assurance, and related services Pronouncements ,issued by IASSB, Spanish version 2013 edition, which includes:

- International Standards on Auditing (ISAs)
- International Standards on Related Services (ISRSs)

The annual professional development program implemented by the ISCP includes a content of training and updating of the different ISAs related to the audit process of the financial statements.

The ISCP expects to form again in the second quarter of 2019 the new members of the Comision de Normas Profesionales, defining their responsibilities and objectives

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promotion of Implementation of ISA's</i>					
27.	October 2014	Perform studies of the pronouncements of the different audit standard regulators such as the CVPCPA, , in order to identify divergence with international standards, especially those related to the new auditor's report	• Each pronouncement	Directors of ISCP	• Directors of ISCP in the CVPCPA

28.	Jun, Oct & Nov, 2013	<p>Continue performing on a yearly basis the National Congresses for the disclosure of changes in international standards and promote their use; such conferences are:</p> <ul style="list-style-type: none"> <li>• National Congress of Accountants.</li> <li>• National Congress of Students of Accounting and Economic Sciences.</li> <li>• National Congress of Public Accounting Teachers.</li> </ul>	Annual Activity	Academic Director of ISCP	<ul style="list-style-type: none"> <li>• Members of UIC</li> <li>• Academic Director of ISCP</li> <li>• Administrative Director of ISCP</li> <li>• Membership Commission</li> </ul>
29.	April 2014	<p>Maximize the promotion process and use of international standards through the use of the material and tools included in the technical libraries</p>	Annual Activity	Directors of ISCP	<ul style="list-style-type: none"> <li>• Membership Commission</li> <li>• Administrative Commission</li> </ul>
30.	October 2014	<p>Continue programming and developing graduates in ISAs. Programming and developing seminars for the knowledge and use of international standards of related services, such as:</p> <ul style="list-style-type: none"> <li>• Seminar on international standards of work review.</li> <li>• Seminar on international standards for examination of prospective financial information.</li> <li>• Seminar on international standards of internal controls reports for a service organization.</li> <li>• Seminar on international standards for compilation services.</li> </ul>	Ongoing	CSMO-2 Academic Director	<ul style="list-style-type: none"> <li>• Members of CSMO-2</li> <li>• Academic Director</li> <li>• Administrative Director</li> <li>• Membership Commission</li> </ul>
<i>Maintaining Ongoing Processes</i>					
31.	Ongoing	<p>Monitoring the changes in the rules of IAASB and making sure that the changes are communicated to the ISCP membership and that training programs are updated to reflect the changes.</p>	Ongoing (	Directors of ISCP	<ul style="list-style-type: none"> <li>• Academic Director</li> </ul>

32.	March 2009	Ensure that the members appointed by the ISCP in the CVPCPA through a commitment letter, participate actively in an Audit Commission of the CVPCPA, periodically informing the ISCP about activities, and at the same time disclose the work done through the various means that the Institute has.	Permanent Activity	Directors of ISCP in CVPCPA	<ul style="list-style-type: none"> <li>• Representatives of ISCP in the CVPCPA</li> <li>• ODirector of ISCP</li> <li>• Web Page</li> </ul>
33..	April 21, 2009	Strengthen the content of the communications of the ISCP free translations of the new auditing standards issued by IFAC.	Permanent Activity	Academic Director	<ul style="list-style-type: none"> <li>• WEB Page</li> <li>• technical information bulletins</li> </ul>
<i>Review of ISCP's Compliance Information</i>					
34.	Ongoing	Perform review of revised SMOs and ISCP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated Action Plan.	Ongoing (Every year in December)	Directors of ISCP	<ul style="list-style-type: none"> <li>• ISCP</li> </ul>



**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Update the Code of Ethics to Current IESBA Code of Ethics

**Background:**

By means of resolution R3630 / 2015, the CVPCPA resolved the use of the Code of Ethics for Professional Accountants issued (IES) by the IESBA (2014 Spanish Version) . The ISCP has signed agreements with the CVPCPA and the universities in El Salvador, to establish mechanisms to promote the level of knowledge over the contents of the IES and to create an ethical culture. The use of the Code of Ethics in force is applicable to all accounting professionals in El Salvador, according to the resolutions issued by the CVPCPA.

In November 2017, the decision of the CVPCPA to issue a new local code of ethics was made known, for which in December 2017, the ISCP ruled in disagreement with this decision, making available to the CVPCPA the financial support to use of the IFAC code of ethics a new local ethics code became effective as of January 30, 2018. In January 2019, the ISCP requested the CVPCPA to evaluate the installation of the Ethics Code issued in its Spanish version by IFAC for the professional performance of public accountants in El Salvador and to repeal the local Code of Ethics implemented by the previous Supervisory Board. The CVPCPA has authorized to return to the use of the IFAC Code of Ethics in 2019

The ISCP sends its members regular communications of new pronouncements issued by IFAC related Code of Ethics by IFAC

2018 Update

During 2018, the ISCP was permanently disseminating clauses related to ethics in all of its training courses and events, with the aim of promoting an ethical culture and, furthermore, included a module related to knowledge about the ethics code for professional accountants, by means of the diploma for accounting update (DAC), which was developed throughout the year. The ISCP obtained knowledge of the cases of noncompliance with ethical requirements identified by the CVPCPA and the corrective actions taken by this regulatory body to place emphasis on the need for full compliance with the code, by its associate members. The plan of action for this cycle is aimed at maintaining the members informed of the terms of the Code of Ethics, and is able to achieve an annual survey that confirms its compliance.

The ISCP informed its members that it would continue to report on the pronouncements issued by IFAC, and also to include in its training program the requirements established by the IFAC Code of Ethics.

To develop some activities there is the Ethics Commission (CSMO4) that has the following responsibilities:

- a) Publish and promote the culture of compliance with the ethical values of the public accounting profession, contained in the Code of Ethics promulgated by IFAC.
- b) Develop a program on the knowledge and application of the ethical values of the profession for the members of the Institute
- c) Evaluate and recommend to the Board of Directors of the Institute about faults to the Code of Ethics coming from the partners or actions of organizations that have signed agreements with the Institute.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption of IESBA Code of Ethics</i>					
35.	May 2009	Disclose on the ISCP-WEB training courses, tools and articles relating to the professional Code of Ethics, and to promote research in this topic in the Universities	permanent activity included in the professional development program implemented by the ISCP	CSMO-4	<ul style="list-style-type: none"> <li>Members of CSMO-4</li> <li>Membership Committee</li> <li>Administrative Committee</li> </ul>
36.	August 2012	<p>Monitor the compliance of the policy of ethical conduct for compliance by members of the ISCP, which lays the foundation to design and implement:</p> <ul style="list-style-type: none"> <li>A program on the application of the code of ethics of IFAC in three levels I) Basic Course of Ethics, II) Intermediate Course of Ethics (Independence) and III) Advanced Course of Ethics (Resolution of Optical Conflicts). Annual survey of compliance with the code of ethics for ISCP partners.</li> </ul>	2019	CSMO-4 Academic Director	<ul style="list-style-type: none"> <li>Members of CSMO-4</li> <li>Code of Ethics of IFAC</li> <li>Academic Director</li> <li>Administrative Director</li> </ul>
37.	May 2009	Use short capsules related to the Code of Professional Ethics. Also in the material that is delivered in other courses, include short topics on professional ethics so that it is known by the participants.	Permanent Activity	CSMO-4 Academic Director	<ul style="list-style-type: none"> <li>Members of CSMO-4</li> <li>Academic Director</li> <li>Administrative Director</li> </ul>
38.	May 2015	Negotiate, with the CVPCPA, the adoption of the Annual survey of compliance with the code of ethics for authorized public accountants	suspended in 2018 and activated in 2019	CSMO-4 Director of ISCP in CVPCPA	<ul style="list-style-type: none"> <li>Members of CSMO-4</li> <li>Representatives of ISCP in the CVPCPA</li> </ul>
<i>Maintaining Ongoing Processes</i>					
39.	Ongoing	Monitor the changes of the Code of Ethics made by IESBA and ensure that the changes are communicated to the membership of the ISCP.	Permanent Activity	CSMO-4	<ul style="list-style-type: none"> <li>Members of CSMO-4</li> <li>Membership Committee</li> <li></li> </ul>

40.	October 2013	To make quarterly visits to regulatory bodies such as the CVPCPA, SSF and Court of Accounts, to obtain ethical misconduct reports, in order to take corrective actions in accordance to the guidelines of the IFAC Code of ethics and bylaws of the ISCP.	suspended in 2018 and activated in 2019	CSMO-4	<ul style="list-style-type: none"> <li>• Members of CSMO-4</li> <li>• Administrative Committee</li> </ul>
41.	October 2013	Incorporate in the ISCP website an icon available in order to perform specific allegations or specific questions against inadequate professional practices, which would be researched and tracked by the CSMO-4.	(Ongoing Follow Up)	CSMO-4	<ul style="list-style-type: none"> <li>• Members of CSMO-4</li> <li>• Administrative Committee</li> </ul>
<i>Review of ISCP's Compliance Information</i>					
42.	Ongoing	Perform review of revised SMOs and ISCP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated Action Plan.	Ongoing (Every year in December)	Board of Directors, Commission of Ethics	<ul style="list-style-type: none"> <li>• ISCP</li> <li>• Board of Directors</li> <li>• Commission of Ethics</li> </ul>

**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** *Raise Awareness of IPSAS with Government Counterparts*

<b>Background:</b>					
<p>The ISCP has no direct responsibility in the area relating to the IPSAS; in this sense the ISCP has utilized its best efforts to exhort the GOES to comply with the requirements of the DOM-5; furthermore, on previous years activities have been performed to assist with the implementation of the IPSAS in El Salvador.</p> <p>During 2018, the GOES continued with the Macro Project with the technical and financial assistance of the US-AID. One of the two components of this Macro Project included the reformulating of the general accounts chart of the GOES, which will be in conformity with the IPSAS; the necessary changes were made to the information systems, and instruction manuals were created together with the necessary interfaces between the financial accounting system and the financial administration system of the GOES.</p> <p>2018 Update</p> <p>During 2018, the ISCP was monitoring the activities of the GOES aimed at the adoption, and use of the IPSAS. The GOES estimate that the adoption process has an advance moderate and it is hoped that the process will be concluded by 2024.</p> <p>The ISCP will follow-up through its board of directors on GOES activities related to the progress of IPSAS implementation and determine close communication with government officials in charge of the implementation project</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Begin Dialogue as it Relates to IPSAS</i>					
43.	October 2014	Continue the monitoring of the actions developed by the National Commission for the Implementation of IPSAS in the preparation of the financial statements of general use in public sector entities, and governmental non-commercial enterprises.	Annually	<b>board of directors ISCP</b>	<ul style="list-style-type: none"> <li>• Current standards of IPSASB</li> </ul>
44.	February 2015	Hold technical meetings between the ISCP and the GOES, with the participation of the Internal revenue Office, to monitor the calendar for the execution, objectives and challenges and government challenges, in order to establish the best manner in which the ISCP can collaborate with the GOES.	Annually	<b>board of directors ISCP</b>	<ul style="list-style-type: none"> <li>• Current standards of IPSASB</li> </ul>

45.	June 2015	Perform an investigation of the actual state of the use of the IPSAS in the Central American Region, with the aim of identifying the experiences obtained, and sharing these with the GOES. The Government Accounting Unit, informs that its program towards 2014 is still valid with the support of consultants in the area	Annually	<b>board of directors</b>	• GOES
46.	April 2017	The ISCP will use its best efforts to increase the awareness of the IPSAS, the impact of the global use and progress in adoption and implementation;.	Ongoing	<b>board of directors</b>	• GOES
<i>Maintaining Ongoing Processes</i>					
47.	Ongoing	Use the 'best efforts' to identify opportunities to support the adoption of the IPSAS. It includes a review of existing activities and an update of the plan of action for future activities.	Available to GOES if requested	<b>board of directors</b>	• Current standards of IPSASB
48.	Ongoing	Incorporate members of CSMO-5, plus professional accountants affiliated to the ISCP, to be in key positions within the public sector, in order to strengthen the actions of the Committee.	Ongoing	<b>board of directors</b>	• GOES
<i>Review of ISCP's Compliance Information</i>					
49.	Ongoing	Perform review of revised SMOs and ISCP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated Action Plan.	Ongoing (Every year in january)	<b>board of directors</b>	• Current standards of IPSASB

**Action Plan Subject:** SMO 6–Investigation and Discipline  
**Action Plan Objective:** *Strengthening of Investigation and Disciplinary (I&D) Processes*

**Background:**

The process of investigation and discipline is the responsibility of the CVPCPA, in such a manner that the ISCP does not have direct responsibility; consequently, the efforts of the ISCP are aimed at applying its best efforts to exhort the CVPCPA to comply with the requirements of DOM-6.

EL CVPCPA conducts its work proactively through control procedures, and also attends complaint procedures. The cases under investigation can lead to punishable offences which are classified in professional ethics misconduct and other failures. Professional ethical faults are acknowledged and judged by an Ethics Tribunal, other faults are elevated to Board of Directors of CVPCPA. For all cases the sanctioning body is the Board of Directors who will determine the type of sanction, either to be a pecuniary fine, temporary suspension of the exercise of the profession or expulsion.

2018 Update:

During last year, the ISCP through the representative in the CVPCPA, was maintained informed of the level of demands that the authorized public accountants had received from the general public. Commenting on the actions taken by the CVPCPA.

The ISCP implements, through its ethics commission, the disclosures of compliance with the ethical requirements for its members, and also through the training programs it conducts annually.

The ISCP has maintained a monitoring of the disclosing topics on discipline determined by the CVPCPA and commented on in the meetings of the Board of Directors.

Additionally, an investigation and discipline function for the existing Ethics Commission will be included in the modification of the statutes of the ISCP.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Strengthening of the Investigation and Disciplinary System (I&amp;D)</i>					
50.	October 2014	Review of actions for investigation and discipline of the CVPCPA,, and ISCP to comply with IFAC, and elaborate statistical reports of non-compliance and disciplinary actions.	Ongoing	CSMO-6	<ul style="list-style-type: none"> <li>Directors of ISCP in CVPCPA</li> </ul>
51.	October 2014	Request corrective action plans from members of the ISCP that appear with disciplinary reports.	June 2017	CSMO-6	<ul style="list-style-type: none"> <li>Members of CSMO-6</li> </ul>
52.	March 2013	Make the best efforts to finish the document of an integral revision of the statutes of the ISCP	September 2019	Statutes reforms Commission	<ul style="list-style-type: none"> <li>ISCP Law specialist</li> </ul>

53.	June 2014	Establish an annual public survey, relating to the need for changes in the statutes of the ISCP.	Done	Statutes reforms Commission	<ul style="list-style-type: none"> <li>ISCP Law specialist</li> </ul>
54.	June 2015	Get comments of board and issue a revised document.	July2019	Statutes reforms Commission	<ul style="list-style-type: none"> <li>ISCP Law specialist</li> </ul>
55.	August 2015	Publish in the Web page or other means to open it to comments of the members; including the incorporation of the other requirements established by SMO 6.	Done	Statutes reforms Commission	<ul style="list-style-type: none"> <li>ISCP Law specialist</li> </ul>
56.	October 2015	Submit to Board the document with comments.	August de 2019	Board of Directors	<ul style="list-style-type: none"> <li>ISCP</li> <li>Board of Directors</li> </ul>
57.	November 2015	Get final approval of Board.	August2018	Board of Directors	<ul style="list-style-type: none"> <li>ISCP</li> <li>Board of Directors</li> </ul>
58.	January 2016	Submit draft to General Member Assembly and obtain feedback.	September 2019	Board of Directors	<ul style="list-style-type: none"> <li>ISCP</li> <li>Board of Directors</li> </ul>
59.	February 2016	Issue a final document with comments to the General Member Assembly.	September 2019	Board of Directors, Commission of Ethics,	<ul style="list-style-type: none"> <li>ISCP</li> <li>Board of Directors</li> <li>Commission of Ethics</li> <li></li> </ul>
60.	February 2016	Submit for approval of General Member Assembly.	September 2019	Board of Directors	<ul style="list-style-type: none"> <li>ISCP</li> <li>Board of Directors</li> </ul>
61.	April 2016	Publish in Web page or other means to disclose it.	October 2019	Board of Directors	<ul style="list-style-type: none"> <li>ISCP</li> <li>Board of Directors</li> </ul>
<i>Maintaining Ongoing Processes</i>					
62.	Ongoing	Ensure through annual reviews, that the level of quality of the I&D system is in compliance with SMO 6 components.	Ongoing (Every year in December)	Commission of Ethics	<ul style="list-style-type: none"> <li>ISCP</li> <li>Commission of Ethics</li> <li>Voluntaries</li> </ul>
<i>Review of ISCP's Compliance Information</i>					

63.	Ongoing	Perform review of revised SMOs and ISCP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated Action Plan.	Ongoing (Every year in December)	Commission of Ethics	<ul style="list-style-type: none"> <li>• ISCP</li> <li>• Commission of Ethics</li> </ul>
-----	---------	---	--	-------------------------	--



**Main Requirements of SMO 6**

Requirements	Y	N	Partially	Comments
<p><b>Scope of the System</b></p> <p>1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.</p>	<b>X</b>			The only body sanctioning public accounting professionals is the CVPCPA, which has a research committee and, in accordance with the latest amendment to the LRCP, minor, serious and very serious offenses are determined which, in turn, have their corresponding sanctions. It is established from a written penalty, economic penalty and suspension of the professional.
<p>2. Information about the types of misconduct which may bring about investigative actions is publicly available.</p>		<b>X</b>		
<p><b>Initiation of Proceedings</b></p> <p>3. Both a “complaints-based” and an “information-based” approach are adopted.</p>	<b>X</b>			
<p>4. Link with the results of QA reviews has been established.</p>		<b>X</b>		
<p><b>Investigative Process</b></p> <p>5. A committee or similar body exists for performing investigations.</p>	<b>X</b>			See numeral 1
<p>6. Members of a committee are independent of the subject of the investigation and other related parties.</p>	<b>X</b>			
<p><b>Disciplinary Process</b></p> <p>7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.</p>	<b>X</b>			
<p>8. Members of the committee/entity include professional accountants as well as non-accountants.</p>		<b>X</b>		

Requirements	Y	N	Partially	Comments
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			
<b>Sanctions</b> 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	X			The only body sanctioning public accounting professionals is the CVPCPA, which has a research committee and, in accordance with the latest amendment to the LRCP, minor, serious and very serious offenses are determined which, in turn, have their corresponding sanctions. It is established from a written penalty, economic penalty and suspension of the professional.
<b>Rights of Representation and Appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.		X		
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.	X			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			
14. Records of investigations and disciplinary processes are established.	X			
<b>Public Interest Considerations</b> 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.			X	
16. A process for the independent review of complaints on which there was no follow-up established.				

Requirements	Y	N	Partially	Comments
17. The results of the investigative and disciplinary proceedings are made available to the public.		X		
<b>Liaison with Outside Bodies</b> 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			The same law establishes the obligation to send cases that have a criminal incidence to Fiscalía General de la Republica
<b>Regular Review of Implementation and Effectiveness</b> 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	X			

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Enhance Implementation of IFRS

**Background:**

The work of the ISCP in coordination with the CVPCPA, finally, permitted the adoption during 2009 of the IFRS Full and the IFRS for PYMES , by means of resolution R133/2009, to be used as the official accounting basis starting in the financial statements for 2011.

The process of implementation of IFRS and IFRS for SMEs in El Salvador was successful and in development. The ISCP, with the (BID /FOMIN) project achieved the training of 44 instructors and the respective replication of this knowledge in the different modules that make up the certification program.

The process of implementation of standards at a national level has been successful and effective since its implementation is mandatory according to the Law.

In 2018 we have:

Universities are already implementing the contents of IFRS in their study programs

The financial system by following its own regulations for the preparation and presentation of the financial statements of financial entities, however, allows the matters not contemplated in its regulation to be consulted the requirements of IFRS.

The ISCP, for its part, includes current IFRS topics in its professional development program. Since 2011, the ISCP has developed Diplomas for Accounting Actualizations (DAC), in which the members, and other interested parties, are informed over new, proposed and revised international standards, this ensures that the professional public accountants are maintained actualized on new developments; furthermore, we have been coordinating, with the Mexican Institute of Public Accountants (IMCP), the purchase of actualized professional literature relating to the IFRS, in order to make this information available for the CPAs in El Salvador.

The ISCP has actively participated in the translation of the IAASB, representative as a member of the IberAm Project.

The ISCP developed diplomas in for the IFRS for SMEs during the last years; for both improving abilities and expertise in the Standard, and also for promoting interest in obtaining the Inter-American Certificate over the NIIF for PYMES, which is authorized by the Inter-American Accounting Association (AIC).

The ISCP participated in the annual survey relating to a comprehensive review of the IFRS for PYMES, holding a national event, which had the objective of obtaining comments and input to support the answers to be presented to the IAASB.

2016 Update:

In 2016, the work of the ISCP representative in the CVPCPA, through Resolution R11 / 2016 dated July 7, 2016, allowed the adoption of the revised NIIF for PYMES in 2015 in its Spanish version, In 2016 the ISCP, developed, during the whole year, a Diploma in Accounting Actualizations (DAC), which included the training of more than 5,000 accounting professionals, dealing with themes of technical excellence in the full IFRS and the IFRS for SMEs. Furthermore, courses were developed for the preparation of professionals for the CICNP certification, which is issued by the AIC; at present, in El Salvador there are 6 professionals who possess this international certification.

<p>During this cycle, the function of ISCP is directed to perform work towards two main vertical areas (Strengthening of abilities and capacities and Disclosure), and two horizontal areas (Ethics and Quality Control). The activities that define these cornerstones were raised in a manner to meet the goals of the Institution, as well as each of the 7 SMOs.</p> <p>The ISCP has instituted a separate Committee to follow up on specific plans detailed below, in order to meet the requirements of international financial reporting standards; that Committee is the "Professional Standards Committee CSMO-7."</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Intermediate Steps for IFRS Implementation</i>					
64.	October 2014	The ISCP is committed in maintaining, within its ongoing education program, theoretical-practical practice on IFRS Full and SMEs, as well as the development of projects to encourage companies to adopt these standards.	Permanent Activity	CSMO-7	<ul style="list-style-type: none"> <li>• Directors of the ISCP in the CVPCPA</li> <li>• Members of CSMO-7</li> <li>• Academic Director</li> </ul>
65.	October 2014	order to disclose the changes in IASB standards to ensure that the members are informed of the changes through e-Learning or included professional development program	Annually or when changes occur	CSMO-7	<ul style="list-style-type: none"> <li>• Directors of the ISCP in the CVPCPA</li> <li>• Members of CSMO-7</li> <li>• Academic Director</li> </ul>
<i>Maintaining Ongoing Processes</i>					
66.	Ongoing	Continue efforts to ensure coverage of training and disclosure of Full IFRS and IFRS for SMEs,	Ongoing (Every year in December)	CSMO-7	<ul style="list-style-type: none"> <li>• Directors of the ISCP in the CVPCPA</li> <li>• Members of CSMO-7</li> <li>• Academic Director</li> </ul>
67.	Ongoing	Monitor the changes in the rules of IASB and make sure that these changes are communicated to the ISCP membership, and that training programs are updated to reflect these changes.	Ongoing (Every year in December)	CSMO-7	<ul style="list-style-type: none"> <li>• Directors of the ISCP in the CVPCPA</li> <li>• Members of CSMO-7</li> <li>• Academic Director</li> </ul>
<i>Review of ISCP's Compliance Information</i>					
68.	Ongoing	Perform review of revised SMOs and ISCP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated Action Plan.	Ongoing (Every year in December)	CSMO-7	<ul style="list-style-type: none"> <li>• Directors of the ISCP in the CVPCPA</li> <li>• Members of CSMO-7</li> <li>• Academic Director</li> </ul>



El Salvador, August 12, 2019

**Joseph Bryson**  
**Director, Quality & Development**  
**International Federation of Accountants**  
**Phone: +1(212)471-8710**  
**Email: [DariaKoukhar@ifac.org](mailto:DariaKoukhar@ifac.org)**

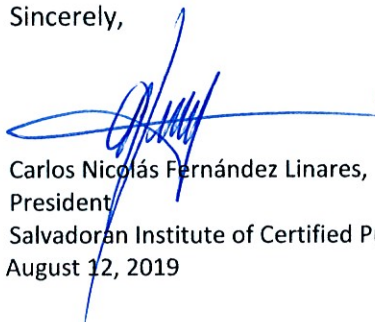
Dear Mr. Bryson,

**Subject: Letter to Confirm Institutional Support for the SMO Action Plan**

This letter is to confirm that the leadership of Salvadoran Institute of Certified Public Accountants (ISCP) has reviewed the information contained in the SMO Action Plan prepared by ISCP as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the ISCP, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,

  
Carlos Nicolás Fernández Linares,  
President  
Salvadoran Institute of Certified Public Accountants (ISCP)  
August 12, 2019

