

**ENHANCING PARTNERSHIP WITH  
THE CPAs TOWARDS A STRONGER  
COOPERATIVE MOVEMENT**

Dr. Emmanuel M. Santiaguel  
Chairman, Cooperative Development Authority

**3 Point Priority Agenda as  
Cornerstone of CDA Programs and  
Activities**

## The 3 Point Priority Agenda of the CDA

1. Mainstreaming membership in cooperatives (membership expansion) with the goal of hitting 20 million Filipinos as members of the cooperatives
2. Human Resource Development
3. Awards and incentives for cooperatives and partners as recognition of exemplary performance, best practices and good governance

Mainstreaming membership in cooperatives as vehicle for social transformation for people, planet, peace and prosperity

- Expansion of area of operation of existing cooperatives which have potentials for branching
- Campaign for the registration of electric cooperatives and other public utilities
- Registration of ARBAs and other farmers group or peoples organization into cooperative
- Identification of issues and policy advocacy

Mainstreaming membership in cooperatives as vehicle for social transformation for people, planet, peace and prosperity

- Convergence of strategies with Local Government Units (LGUs), Federation/Union/CDCs and relevant national government agencies
- Strategic and synergistic alliances between and among stakeholders in cooperative development

## Human Resource Development

- An institution that has not developed its human capital is finalized by slow growth
- Establish support systems and structures for cooperative development specifically capability building at all levels of cooperatives organizations to meet the training requirements of internal (CDA Officers and Staff) and external clients (cooperative development partners and stakeholders)

## Awards and Recognition

- There must be due recognition and awards for the purpose of modelling, replication and up-scaling to showcase best practices.
- Launching of *Gawad Parangal* and recognition of outstanding cooperatives on area wide basis (Luzon, Visayas and Mindanao) for 2011
- 2012 *Gawad Parangal* (Search for Most Outstanding Cooperatives)

## Area Wide Recognition for 2011

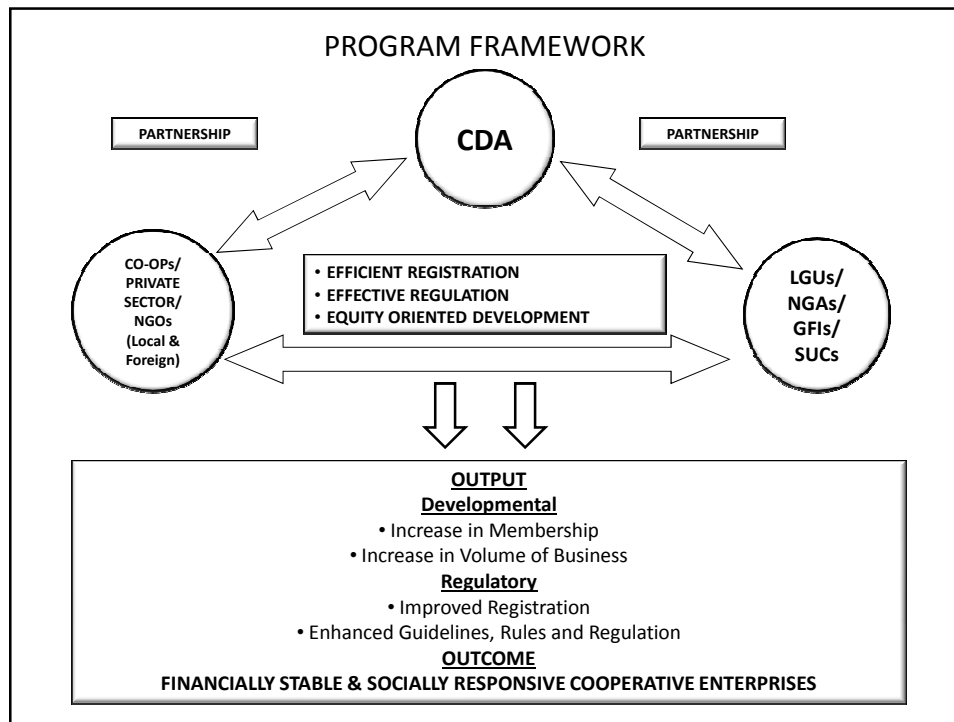
- For Luzon, Visayas and Mindanao
  - Large
  - Medium
  - Small
  - Micro

National Award in 2012 and on-wards

- Cooperatives
  - Large
  - Medium
  - Small
  - Micro

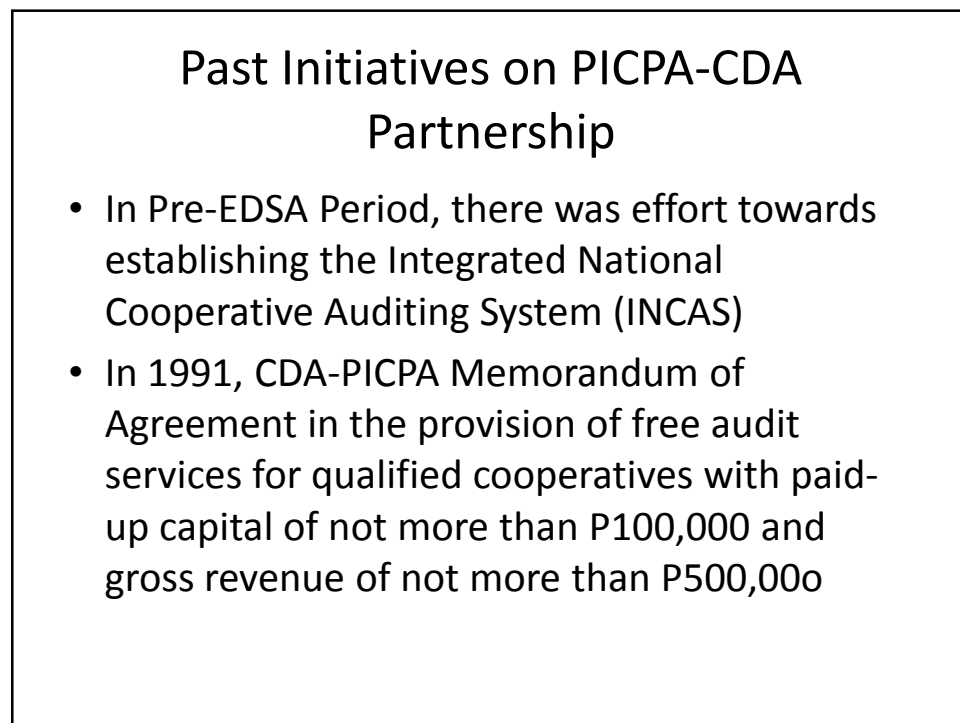
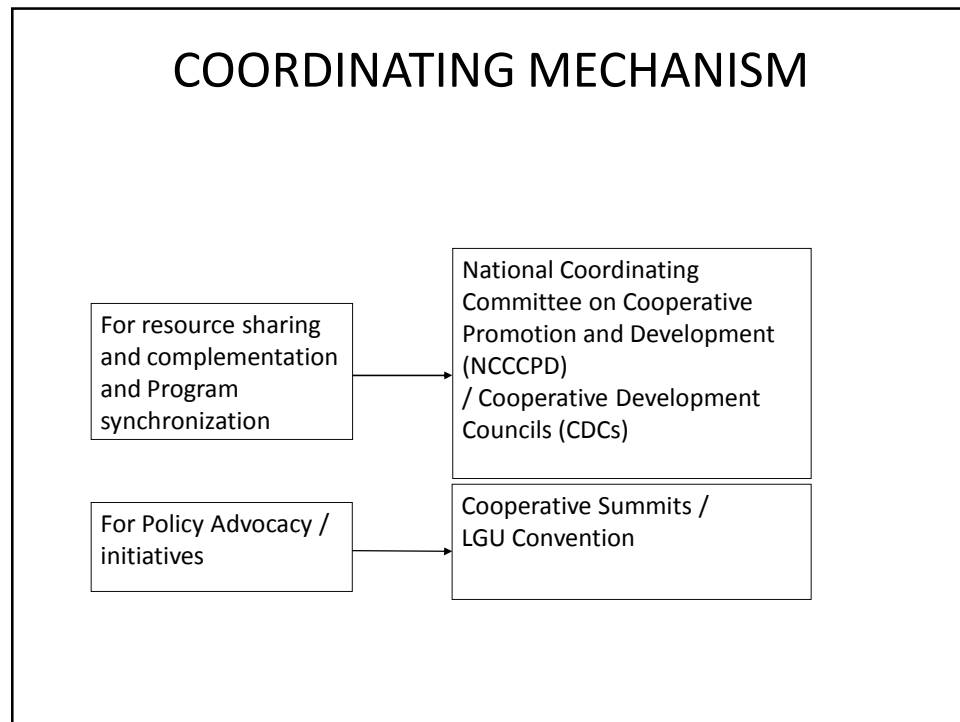
National Award in 2012 and on-wards

- LGUs and Partner organization
- Cooperative Leaders



## Mechanism FOR PARTNERSHIP AND COLLABORATION

- Convergence, fora, tripartite, summit, conference, consultations
- MOA/MOU Signing with Partner-agencies and stakeholders
- Accreditation of External Auditors, Mediators, Training Service Providers and Deputation of Federations in the Implementation of Supervision and Examination of Coops



### Past Initiatives on PICPA-CDA Partnership

- In 1993, CDA-PICPA-Financial Executives Institute of the Philippines (FINEX)-LBP Memorandum of Agreement for training packages and development of accounting and manuals

### Past Initiatives on PICPA-CDA Partnership

- On July 9, 2001, the Auditing Standards and Practices Council endorsed the use of the STANDARD AUDIT SYSTEM MANUAL for COOPERATIVES as an audit guide for the external auditors of cooperatives. As such, it becomes, therefore, the “**generally accepted auditing standards, principles and practices**” mandated under Article 53, par. 3 of RA 6938 for the CPAs to follow in the audit of cooperatives

### Past Initiatives on PICPA-CDA Partnership

- In 2008, CDA-PICPA MOA for the Adoption of International Financial Reporting System (IFRS) and International Accounting Standards (IAS)

### Past Initiatives on PICPA-CDA Partnership

- In 2010, CDA-PICPA MOA for training of CPAs for purposes of accreditation of CPAs

## Legal Framework for CDA-PICPA Collaboration

### Legal Basis

- Under Article 53 of RA 9520, every cooperative is mandated to file within 120 days a copy of their regular reports with the CDA.
- Under Section 3(f) of RA 6939, all cooperatives, their federations and unions are required to submit to the CDA their Annual Audited Financial Statements.

## Legal Basis

- Under Article 80 of RA 9520, cooperatives shall be subject to an annual financial, performance and social audit. **The financial audit shall be conducted by an independent external auditor who is a member in good standing of the PICPA and is accredited by both the Board of Accountancy and the CDA**
- Guidelines for Accreditation of External Auditors

### Accredited CPAs as of July 5, 2011

Region	Individual	Firm
CAR	14	1
Region I	22	2
Region II	16	0
Region III	57	9
NCR	183	41
Region IV	113	5
Region V	19	2
Region VI	58	1

### Accredited CPAs as of July 5, 2011

Region	Individual	Firm
Region VII	56	5
Region VIII	16	1
Region IX	23	0
Region X	29	2
Region XI	60	6
Region XII	29	0
CARAGA	20	2
ARMM	0	0
<b>TOTAL</b>	<b>715</b>	<b>77</b>

### Issues and concerns on Cooperative Audit

- Standards for charging of audit fees
- Varied interpretation in the use of SCA
- Capacity of small cooperatives to adhere with certain audit standards and procedures
- Unavailability of accredited CPAs in certain areas

### Issues and concerns on Cooperative Audit

- Some CPAs are having difficulties in complying with the requirements for Board of Accountancy accreditation
- Difficulties of small cooperatives to pay audit fees

### Prospects, Challenges and Potential Areas of Future Partnership

- Social responsibility of the CPAs to provide free services for small cooperatives not only in the area of audit engagement but also in the installation of accounting and management reporting system and the corollary financial internal control.
- Accreditation of CPAs not only for financial audit but also for Social and Performance Audit

“Instead of seeing government as a partner we fear, I think we should see them as a partner we welcome”

PETER DRUCKER