

AUDITED FINANCIAL STATEMENTS

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BASIC STATEMENTS

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STATEMENT OF FINANCIAL CONDITION

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- * OTHER ASSETS**

STATEMENT OF

Cont.

LIABILITIES

- * CURRENT LIABILITIES**
- * NON-CURRENT LIABILITIES**
- * OTHER LIABILITIES**

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- * MEMBER EQUITY**
- * STATUTORY FUNDS**
- * DONATIONS AND GRANTS**

STATEMENT OF OPERATIONS



REVENUE

- * **CREDIT OPERATION**
- * **CONSUMERS/MARKETING**
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- * **OTHERS**



EXPENSES

- * **FINANCE**
- * **ADMINISTRATIVE**



OTHER ITEMS

CASH FLOW STATEMENTS

 **OPERATION**

 **INVESTING**

 **FINANCING**

STATEMENT OF CHANGES IN EQUITY

MEMBERS EQUITY





- * BEGINNING BALANCE**
- * ALLOCATION FOR THE YEAR**
- * USED FOR THE PERIOD**

STATUTORY FUNDS



- * BEGINNING BALANCE**
- * ALLOCATION FOR THE PERIOD**
- * UTILIZED FOR THE PERIOD**

DONATIONS AND GRANTS

EXTERNAL AUDITOR'S PLEDGE OF COMMITMENT

-  **TO FOLLOW STRICTLY THE CONDITIONS AND REQUIREMENTS SET FORTH BY THE CDA;**
-  **TO UPHOLD THE INTEGRITY AND FAIRNESS OF THE AUDITING PROCESS;**
-  **TO OBSERVE THE CODE OF PROFESSIONAL ETHICS OF A CERTIFIED PUBLIC ACCOUNTANTS**
-  **TO DISPENSE DUTIES AND RESPONSIBILITIES IN A POSITIVE AND SUPPORTIVE MANNER AT ALL TIMES AND IN ALL PLACES;**





PLEDGE OF COMM...

-  **TO BEAR TRUE FAITH AND ALLEGIANCE
THE LAWS AND LEGAL ORDERS
PROMULGATED BY THE DULY
CONSTITUTED AUTHORITIES OF THE
REPUBLIC OF THE PHILIPPINES;**
-  **TO IMPOSE THIS OBLIGATIONS UPON
MYSELF VOLUNTARILY, WITHOUT
MENTAL RESERVATION OR PURPOSE OF
EVASION**

CONDITIONS FOR ENGAGEMENT

- 🌐 DO NOT HAVE OUTSTANDING LOANS OR ANY CREDIT ACCOMMODATIONS WITH THE COOPERATIVE AT THE TIME OF ENGAGEMENT AND DURING ENGAGEMENT;**
- 🌐 NOT CURRENTLY ENGAGE NOR WAS ENGAGED DURING THE PAST THREE (3) YEARS IN PROVIDING THE FOLLOWING SERVICES:**
 - * INTERNAL AUDIT**
 - * INFORMATION SYSTEM DESIGN,
IMPLEMENTATION & ASSESSMENT**

CONDITION OF Cont.

-  **such other services which could affect independence as determine by the CDA**
-  **THAT IN THE PAST THREE (3) YEARS PRIOR TO AUDIT ENGAGEMENT, HAVE NOT BEEN EMPLOYED OR HELD POSITION RELEVANT TO THE CONDUCT OF AUDIT BY THE SUBJECT COOPERATIVE;**
-  **NOT A MEMBER/OFFICER OF THE COOPERATIVE BEING AUDITED;**
-  **NOT RELATED TO ANY OFFICER AND EMPLOYEE OF THE COOPERATIVE UP TO THE FOURTH DEGREE OF CONSANGUINITY OR AFFINITY.**

THINGS TO CONSIDER IN THE CONDUCT OF AUDIT

- 🌐 **PROVISIONS OF R.A. 9520**
- 🌐 **IMPLEMENTING RULES AND REGULATIONS**
- 🌐 **MEMORANDUM CIRCULARS ISSUED**
- 🌐 **STANDARD CHART OF ACCOUNTS**
- 🌐 **FINANCIAL REPORTING FRAMEWORK FOR
COOPERATIVES**

COMMON OBSERVATIONS ON THE SUBMITTED AFS

AREAS OF CONCERN

- * PRESENTATION**
- * COMPLIANCE WITH THE STANDARD
CHART OF ACCOUNTS**
- * DISCLOSURES**
- * BASES OF COMPUTATIONS**

PRESENTATION

- 🌐 **USE OF COOPERATIVE LETTERHEAD**
- 🌐 **UNDATED REPORT**
- 🌐 **ATTACHED FINANCIAL REPORTS BEARS THE SIGNATURE OF THE CLIENTS OFFICERS AND EMPLOYEES**
- 🌐 **NOTICEABLE ERASURES ON THE FACE OF THE AUDIT REPORT AND ON THE FINANCIAL STATEMENT**
- 🌐 **MIXED-UP NAMES OF CLIENTS ON THE AUDITOR'S REPORT STATEMENT**

PRESENTATION cont.

- 🌐 **WRONG STATEMENT HEADING/LABEL**
- 🌐 **INCOMPLETE ATTACHMENT**
- 🌐 **INCOMPLETE PRESENTATION**
- 🌐 **ERRORS IN THE TOTALS**
- 🌐 **ERRONEOUS CLASSIFICATION OF ACCOUNTS**
- 🌐 **UN-UNIFORM FONT USED**
- 🌐 **DETAILS OF EXTERNAL AUDITORS ACCREDITATION, ETC NOT REFLECTED IN THE REPORT**

PRESENTATION cont.

- 🌐 **SCANNED SIGNATURE ON THE SUBMITTED AUDITED REPORT**
- 🌐 **DISCREPANCY BETWEEN THE SUBMITTED LIST OF CLIENTS AND THE CDA GENERATED LIST OF COOPERATIVE AUDITED BY THE EXTERNAL AUDITOR**
- 🌐 **THE DATE STAMPED RECEIVED BY BIR WAS EARLIER THAN THE DATE OF THE AFS**
- 🌐 **CONDUCT OF AUDIT (SIGNING THE REPORT) WITH EXPIRED ACCREDITATION**

COMPLIANCE WITH THE STANDARD CHART OF ACCOUNTS

USE OF NON-SCA ACCOUNTS

- * CDA MANDATED RESERVES**
- * SECURITY DEPOSITS**
- * MEMBERS SUBSCRIBER**
- * NET SURPLUS**
- * RETAINED EARNINGS**

COMPLIANCE WITH SCA





cont.

- 🌐 **SHORTENED ACCOUNT TITLE**
- 🌐 **UNIQUE OR DESCRIPTIVE TITLES**

DISCLOSURES

- 🌐 **NON-DISCLOSURE OF MATERIAL FINDINGS/OBSERVATION/ INFRACTION**
- 🌐 **INCOMPLETE DETAILS OF ACCOUNT COMPOSITION**
- 🌐 **NO ATTACHED NOTES TO FINANCIAL STATEMENTS**
- 🌐 **NON-DISCLOSURE OF MATERIAL OMISSION**
 - * **NON-FUNDING OF RESERVE**
 - * **NON-ALLOCATION FOR STATUTORY FUNDS**

DISCLOSURES cont.

-  **NONE OR UNDER PROVISIONING OF ALLOWANCE FOR PROBABLE LOSSES ON LOANS OR RECEIVABLES**
-  **NON DISCLOSURE RELATED INTEREST TRANSACTION INVOLVING MATERIAL AMOUNT**
-  **ERROR COMMITTED IN THE DISTRIBUTION OF SURPLUS**
-  **NON DISCLOSURE OF CHANGES IN THE ACCOUNTING ASSUMPTION**

DISCLOSURES cont.

NON DISCLOSURE OF ACCOUNT CLASSIFICATION:

- * DETAILS OF LOANS RECEIVABLES**

- * DETAILS OF INVESTMENT**



- * CHANGES ON PRIOR YEARS ADJUSTMENT**

ACCOUNTS




- * CHARGES MADE AGAINST RESERVE FUND**

- * UTILIZATION OF STATUTORY FUNDS**

DISCLOSURES cont.

-  **NO COMMENTS ON BUSINESS CONTINUITY STATUS**
-  **NON DISCLOSURE OF ACCOUNT CLASSIFICATION:**
 - * NON ALLOCATION OF DUE TO FEDS AND UNION COMING FROM CETF PROVISIONS**
 - * UTILIZATION OF THE ENTIRE ALLOCATION FOR CETF**

BASES OF COMPUTATION

-  **ERROR COMMITTED IN THE DISTRIBUTION OF NET SURPLUS DUE TO UNCHECK BASIS OF PERCENTAGE ALLOCATION**
-  **ERROR COMMITTED ON THE COMPUTATION OF PATRONAGE REFUND**
-  **ERROR IN THE COMPUTATION OF PROVISIONS FOR PROBABLE LOSSES**

End of presentation