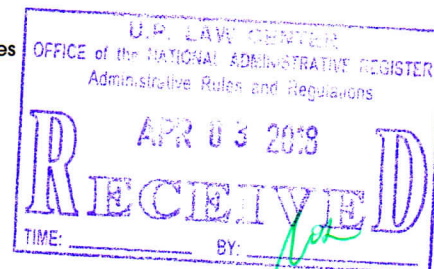




Central Office

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines



MEMORANDUM CIRCULAR NO. 2018 - 01

Series of 2018

SUBJECT: REVISED GUIDELINES ON SOCIAL AUDIT OF COOPERATIVES

As a tool to measure effectiveness of the cooperative's social development services, the Social Audit of cooperatives consists of two (2) phases, namely: Social Performance Assessment, and Social Impact Assessment. This Guidelines, however, covers only the first phase of the Social Audit process. A separate Guidelines for Social Impact Assessment shall be set forth in a separate memorandum circular which has yet to be issued.

Section 1. Legal Basis.

The legal bases for this Guidelines is anchored on the following:

"Art. 80. Annual Audit. – Cooperatives registered under this Code shall be subject to an annual financial, performance and social audit."¹

"The social audit shall be conducted by an independent social auditor accredited by the Authority."

"The Authority, in consultation with the cooperative sector, shall promulgate the rules and standards for the social audit of cooperatives."

"Art. 53. Reports. (1) Every cooperative shall draw up regular reports of its program of activities, including those in pursuance of their socio-civic undertakings, showing their progress and achievements at the end of every fiscal year."²

Section 2. Coverage.

All registered cooperatives regardless of type or category shall be subject to social audit as herein contemplated.

Section 3. Definition of Terms

Auditor – refers to either the cooperative's internal auditor, audit committee or social auditor designated by it.

¹ Philippine Cooperative Code of 2008

² Philippine Cooperative Code of 2008

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 Office of the Executive Director : (02) 725-6450
 Officer of the Day : (02) 725-3764



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Management Social Performance Report - refers to the report on the accomplishment of the cooperative's social development plan.

Social Audit - refers to the procedure where the cooperative assesses its social impact and ethical performance vis-a-vis its stated vision, goals and social missions.

Social Audit Report – refers to the certified report prepared by the auditor as a result of the social audit conducted.

Social Audit Working Document – refers to the instrument used by the auditor in the conduct of social audit.

Social Development Plan and Budget – refers to the annual programs, projects and activities with corresponding resources approved by both the Board of Directors and the General Assembly.

Social Development Programs – refer to the set of activities and projects that the cooperative implements to achieve its social goals.

Social Goals - refer to the clear statement of acceptable and desirable future social conditions that provide direction for the things that the cooperative wants to achieve.

Social Impact Assessment - refers to the process of monitoring, analyzing, and evaluating the intended and unintended social outcome/result, both positive and negative as well as the planned interventions and social change processes involved in said interventions.

Social Performance – refers to the effective translation of a cooperative's mission into practice in line with accepted social values or simply making a cooperative's social mission a reality.

Social Performance Assessment - refers to the review of the performance of the cooperative vis-à-vis its social development plans and budget.

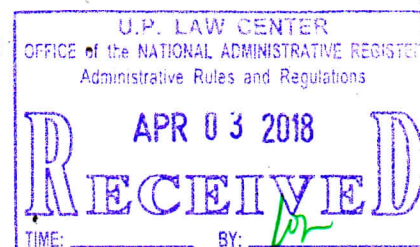
Section 4. Objectives

- To guide the cooperative in the assessment of its social performance;
- To require the cooperative to use the prescribed tools and format in the preparation and submission of social audit report; and
- To provide the manner and period of submitting social audit report to the CDA.

Section 5. Key Areas in Social Performance Assessment

In the conduct of audit, the following key areas shall be looked into:

- Vision, Mission, Core Values and Social Goals;



- Policies and Guidelines on Social Development;
- Social Development Program for the Cooperative and the Community; and
- Utilization of Community Development Fund.

The Auditor shall use the Social Audit Working Document (Annex A) to determine the cooperative's social performance and to serve as basis for writing a report.

Section 6. Social Audit Report.

The Social Audit Report shall consist of narrative report (Annex B) on the comments/observations, including recommendations, and the accomplished Social Audit Working Document (Annex A) which shall be attached to the Cooperative Annual Progress Report (CAPR).

The Report shall be typewritten or printed in a form prescribed by the Authority and prepared by cooperative's internal auditor, audit committee or social auditor designated by the cooperative. The Chairperson and the General Manager shall conform to the audit report.

Section 7. Management Social Performance Report.

At the end of year, the management shall prepare a Management Social Performance Report (Annex C) which presents the accomplishments of the cooperative's social development plan. This could be used as reference by the auditor in the conduct of audit but shall only be kept or retained at the level of the cooperative.

Section 8. Repealing Clause

This Circular repeals Memorandum Circular No. 2013-16.

Section 9. Effectivity

This Circular shall take effect upon approval of the CDA Board of Administrators and fifteen (15) days after publication with the Office of the National Administrative Registry (ONAR).

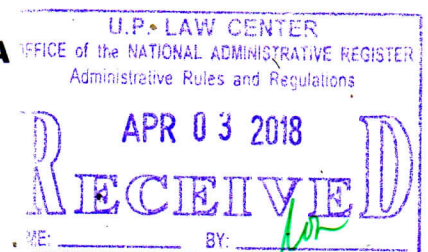
The Cooperative shall adopt the revised forms and format in the submission of their social performance of the year 2018 which will be submitted to the Authority in 2019 and every year thereafter.

Approved per CDA Board Resolution No. 049-2018 dated February 20, 2018.

Date: March 26, 2018


ORLANDO R. RAVANERA
Chairperson

9



**SOCIAL AUDIT WORKING DOCUMENT
FOR THE YEAR _____**

A. BASIC INFORMATION OF THE COOPERATIVE

NAME: _____

ADDRESS: _____

REGISTRATION NO.: _____ DATE REGISTERED: _____

B. STATEMENT OF:

VISION: _____

MISSION: _____

CORE VALUES: _____

SOCIAL GOALS: _____

C. POLICIES AND GUIDELINES ON SOCIAL DEVELOPMENT

TITLE/DESCRIPTION OF POLICY/ GUIDELINES	SOURCE OF DOCUMENT	BOD/GA RESOLUTION NO.	DATE APPROVED

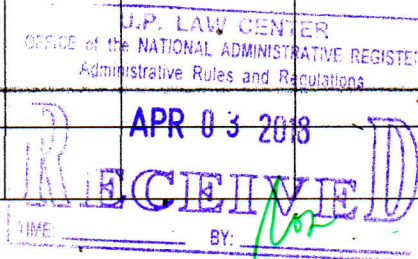
D. SOCIAL DEVELOPMENT PROGRAM

The social development program of the cooperative focuses on two (2) areas: a) for the cooperative itself; and b) for the community. The source of fund for the first area may vary from Cooperative Education and Training Fund (CETF), optional fund or outright expense; while the second area is exclusive from the Community Development Fund (CDF).

D.1. Cooperative

D.1.a. Members

KEY AREAS	SPECIFIC ACTIVITIES	NO. OF ACTIVITIES	NO. OF BENEFICIARIES			AMOUNT UTILIZED	SOURCE OF FUND
			MALE	FEMALE	TOTAL		
Education; Scholarship; training							
Health program							
Social events/gatherings							



Social protection (insurance and mutual benefits)							
Disaster Risk Reduction & Management							
Gender equality and women empowerment							
Others, specify							
Subtotal							

D.1.b. Officers

KEY AREAS	SPECIFIC ACTIVITIES	NO. OF ACTIVITIES	NO. OF BENEFICIARIES			AMOUNT UTILIZED	SOURCE OF FUND
			MALE	FEMALE	TOTAL		
Education; Scholarship; training							
Health program							
Social events/gatherings							
Social protection (insurance and mutual benefits)							
Disaster Risk Reduction & Management							
Gender equality and women empowerment							
Others, specify							
Subtotal							

D.1.c. Staff

KEY AREAS	SPECIFIC ACTIVITIES	NO. OF ACTIVITIES	NO. OF BENEFICIARIES			AMOUNT UTILIZED	SOURCE OF FUND
			MALE	FEMALE	TOTAL		
Education; Scholarship; training							
Health program							
Social events/gatherings							
Social protection (insurance and mutual benefits)							
Disaster Risk Reduction & Management							
Gender equality and women empowerment							
Others, specify							
Subtotal							

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D.2. Community

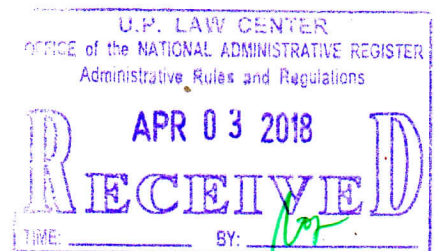
KEY AREAS	SPECIFIC ACTIVITIES	NO. OF ACTIVITIES	NO. OF BENEFICIARIES			AMOUNT UTILIZED
			MALE	FEMALE	TOTAL	
Education, training, seminar for non-members						
Environment conservation and protection						
Health and sanitation						
Partnership and community groups						
Sports, Cultural and religious activities						
Disaster Risk Reduction & Management						
Gender equality and women empowerment						
Inclusivity (Membership expansion)						
Support to the vulnerable sector of society						
Children and Youth						
Person with Disabilities						
Elderly						
Indigenous people						
Others specify						
Sub Total						

E. COMMUNITY DEVELOPMENT FUND (CDF)

Accumulated Amount of CDF	Amount Utilized for Cooperative Social Activities	Percentage of Utilization

Accomplished by:

SOCIAL AUDITOR/AUDIT COMMITTEE/INTERNAL AUDITOR



PROFORMA SOCIAL AUDIT REPORT

XYZ Multipurpose Cooperative is a duly registered cooperative with the Cooperative Development Authority (CDA) under Registration no. _____ on _____. Its registered office address is _____.

We have audited the social performance of the XYZ Multipurpose Cooperative on _____ (date) covering the CY 20____ to validate the adherence of the cooperative to the seventh cooperative principle, the "Concern for Community" and determines whether the cooperative works for the community's sustainable development through policies and programs approved by their members.

This Social Audit is in compliance with Rule 11 of the Revised Implementing Rules and Regulations of RA 9520 and Memorandum Circular No. 2017 - ____ issued by the CDA.

Hereunder are the Auditor's report on the comments/recommendations in major key areas of social performance:

KEY AREAS	COMMENTS AND RECOMMENDATIONS (SOCIAL DEVELOPMENT PERSPECTIVE)
A. STATEMENT OF VISION, MISSION, CORE VALUES & SOCIAL GOALS	
B. POLICIES AND GUIDELINES ON SOCIAL DEVELOPMENT	
C. SOCIAL DEVELOPMENT PROGRAMS	
• COOPERATIVE	
• COMMUNITY	
D. ALLOTMENT AND UTILIZATION OF COMMUNITY DEVELOPMENT FUND	
E. OTHERS, SPECIFY	

Based on the above information, the following are the recommended action/s to enhance the social performance of the cooperative to achieve its social goals:

AREAS FOR IMPROVEMENT	RECOMMENDED ACTION/S	MANAGEMENT COMMITMENT

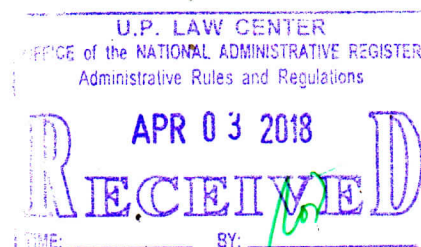
Prepared by:

SOCIAL AUDITOR/AUDIT COMMITTEE/
INTERNAL AUDITOR

Conforme:

GENERAL MANAGER

CHAIRPERSON



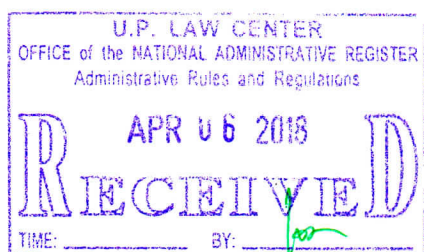
MANAGEMENT SOCIAL PERFORMANCE REPORT

SOCIAL DEVELOPMENT PLAN	ACTUAL ACCOMPLISHMENT	VARIANCE	REMARKS

Prepared by:
MANAGEMENT STAFF

Reviewed by:
GENERAL MANAGER

Approved by:
CHAIRMAN





Office of the President of the Philippines
COOPERATIVE DEVELOPMENT AUTHORITY

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Central Office

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EXCERPTS FROM
 MINUTES OF REGULAR MEETING
 OF THE CDA BOARD OF ADMINISTRATORS HELD ON FEBRUARY 20, 2018

PRESENT:

- | | |
|-----------------------------|-------------------------------|
| Hon. Orlando R. Ravanera | - Chairman/Presiding Officer |
| Hon. Abad L. Santos | - Administrator from Luzon |
| Hon. Mercedes D. Castillo | - Administrator from Visayas |
| Hon. Benjie S. Oliva | - Administrator from Visayas |
| Hon. Paisal I. Cali | - Administrator from Mindanao |
| Hon. Abdulsalam A. Guinomla | - Administrator from Mindanao |

ALSO PRESENT:

- | | |
|--------------------------|-----------------------------|
| Dir. Giovanni T. Platero | - Acting Executive Director |
|--------------------------|-----------------------------|

ABSENT:

- | | |
|----------------------------------|----------------------------|
| Hon. Eulogio T. Castillo, Ph. D. | - Administrator from Luzon |
|----------------------------------|----------------------------|

RESOLUTION NO. 049-2018

Upon motion by Adm. Mercedes D. Castillo duly seconded by Adm. Paisal I. Cali, be it **RESOLVED** as it is hereby **RESOLVED**, to approve the Memorandum Circular on the Revised Guidelines on Social Audit of Cooperatives.

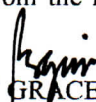
APPROVED.

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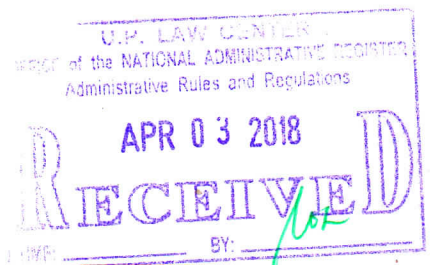
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This is to certify that the foregoing is true and correct from the minutes of the CDA Board of Administrators' Regular Meeting.


 MARY GRACE I. CINCO
 Board Secretary IV

ATTESTED:


 ORLANDO R. RAVANERA
 Chairman



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