

BIBLIOGRAPHY

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ABSTRACT

There were 77 primary cooperatives in La Trinidad, Benguet, but 30 of these cooperatives did not comply with the required reports to the Cooperative Development Authority (CDA). They were involved in this study with the managers and the staff as the respondents. Survey questionnaire and observation were used to collect the needed information. Secondary data were also taken from the Cooperative Development Authority on the non-compliance on reportorial requirements among the different cooperatives in La Trinidad, Benguet.

The results of the study showed that 43.33% of the cooperatives operating in the barangay started as a sari-sari store, 33.33% of the cooperatives employed three staff and majority of the cooperatives were registered in the year 2010. 50% of the cooperatives members attended the Pre-membership Education Seminar (PMES) provided by them. On the other hand, 23.33% of the cooperatives sent their members and staff to attend seminars conducted by other institutions, besides they also conduct training and seminar but majority of the officers did not attend. 60% of the cooperatives officers and members did not



participate on the activities undertaken by the cooperative. With regards to the level of awareness on required reports, 66.67% of the respondents have knowledge on the preparation of the records. Moreover, the levels of awareness on the different reportorial requirements of the study were 76.67% of the respondents are aware on the submission of reports. However the factors affecting the non-compliance on reportorial requirements of primary cooperatives in La Trinidad, Benguet were lack of records needed in the preparation in auditing the required reports, lack knowledge in bookkeeping or accounting, untrained bookkeeper and lack of cooperation.

There were 16.67% of the respondents who suggested that they should submit the Audited Financial Statement (AFS) form to avoid confusion in the submission of the different required reports. Likewise the same number of respondents suggested that the authority should provide a pre-formatted form on the different reports and distribute to all the active cooperatives. Accordingly, 10% of the respondents proposed that the CDA should assign personnel responsible for monitoring each cooperatives and for identifying the needs or problems affecting each of the non-compliance cooperative.



INTRODUCTION

Rationale

It is a common knowledge that a cooperative is a way of life, for the reason that government is bending on making cooperative as a strategy to promote national development. In this connection the government adopted several policies such as the cooperative law which has adopted to foster the creation and growth of cooperative as a practical vehicle for the promotion of self-reliance and harnessing people power toward the attainment of economic development and social justice. The law further provides important benefits to all cooperatives and their members (Zubiri, 2008).

In fact the cooperative as a way of life must engage in business with service above profit. In relation, the government has to foster peace and order or has to provide environment that is conducive to cooperative business.

Besides, the municipality of La Trinidad, Benguet is observing the implementation of the cooperative objective of improving the quality of life of its members thus, engaging in several cooperative undertakings. Likewise, the municipality has a total of 77 registered primary cooperatives of which two are credit cooperatives and 75 are multi-purpose cooperatives. And out of the total number of registered primary cooperatives, 30 are non-compliance on the reportorial requirements while 47 are compliance.

As required by the CDA, all registered primary cooperatives must submit the annual reports every end of calendar year which include the Cooperative Annual Performance Report (CAPR) and the AFS. The annual reports shall be submitted to the Authority within 120 days from the end of the calendar year. Moreover, failure to comply with the required



reports may subject the accountable officers and the cooperative to fines and penalties as may be prescribed by the Authority.

As such, the research aimed to study the level of awareness on the reportorial requirements and the factors affecting the non-compliance on the reportorial requirements of the primary cooperatives and to get suggestions from cooperatives in compliance with the reportorial requirements of the CDA.

Statement of the Problem

This study aimed to answer the following questions:

1. What is the level of awareness on the different reportorial requirements?
2. What are the factors affecting the non-compliance on reportorial requirements of primary cooperatives to the CDA?
3. What are the suggestions from cooperatives in compliance with the reportorial requirements of the CDA?

Objectives of the Study

The study aimed to:

1. To determine the level of awareness on the different reportorial requirements;
2. To identify the factors affecting non-compliance of primary cooperative on the reportorial requirements; and,
3. To get suggestions from cooperatives on how they could comply with the reportorial requirements.



Importance of the Study

This study was conducted to provide information to the CDA about the non-compliance on reportorial requirement of primary cooperative in La Trinidad, Benguet. This would serve as reference for future researchers and basis for the Authority and other interested agencies to improve the monitoring programs of the cooperatives.

Scope and Delimitation of the Study

The study focused on the non-compliance on reportorial requirement of primary cooperatives in La Trinidad, Benguet from year 2007 to year 2010.



REVIEW OF LITERATURE

Definition of Cooperative

Cooperative is an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles (Fred, 2009).

Annual Reports of the Cooperatives

All registered primary cooperatives must submit the different annual reports required by the CDA every end of calendar year, to show its program of activities, including those in pursuance of their socio-civic undertakings, showing their progress and achievements for the assessment of vision, mission, goals and social responsibility of the cooperatives for monitoring the status not only to its members but also to the community. These reports are the CAPR and AFS.

The annual report shall be filed to the Authority within 120 days from the end of the calendar year, and shall be as prescribed by the rules of the Authority. Failure to submit the required reports shall subject the accountable officers to fines and penalties as may be prescribed by the Authority, and shall be a ground for the revocation of the Authority of the cooperative to operate. If a cooperative fails to make, publish and file the reports required by the Code, the Authority shall, within fifteen (15) days from the expiration of the prescribed period, send such cooperative a written notice, stating to its non-compliance



and the commensurate fines and penalties that will be imposed until such time that the cooperative has complied with the requirement (Agapito, 1991).

Definition of Reportorial Requirements of the Cooperative

1. Cooperative Annual Performance Reports (CAPR) – is a cooperative reporting instruments which CDA collects annual financial and operational data for all types of registered cooperatives, replaces the Annual Report (AR), General Information Sheet (GIS) and the Inspection Working Paper (IWP) to provide information regarding the status and performance of specific cooperative, to help CDA gather and consolidate data that will provide cooperatives information on how their operations fair with other cooperatives in the same category, provide relevant and useful information for off-site supervision of cooperatives engaged in savings and credit services, provide useful information for deputized supervisors in determining the scope of examination and to provide updated information on the cooperative sector.

2. Audited Financial Statements - is the report attachment of the CAPR on the different report undertaken by the cooperative. That this reports contains the financial transactions of the cooperatives for the preparation of AFS of different records to the Statement of Financial Condition and Statement of Operation by which the financial information of the cooperative were accumulated and processed, it refers to the primary purpose of engaging in savings and other financial services of primary cooperative.



Considerations on Delayed Reports

All registered cooperatives shall submit the reports on time, the failure to submit reports on time shall be considered as delay or default. However, if the failure to submit the reports on time is due to fortuitous events; such as fire and other natural calamities and public disorders including strike or a national emergency which effects the operation of the cooperative, the failure shall not be considered a delay. Provided, that the Authority shall be officially notified of the occurrence of such fortuitous events. Delay or default shall commence on the day following the last day required for the submission of reports. However, should the last day of filing falls on a non-working day in the locality where the reporting cooperative is situated, delay or default shall start to run on the day following the next working day. For the purpose of establishing delay or default, the date of acknowledgement by the Authority appearing on the copies of such reports filed or submitted or mailing postmarked on the enveloped the date of registry or special delivery receipt, or the date that electronic mail was sent as the case may be shall be considered as the date of filing (Zubiri, 2008).

Sanction for Delayed Submission of Reports

Failure to file the required reports on time shall subject the Accountable Officer to pay a fine of 100.00 pesos per day of delay. Within thirty (30) calendar days upon receipt of Statement of Accounts, the accountable Officer may request for Reconsideration of such fine of the grounds of fortuitous event and court litigation/order, which the Authority shall act upon within sixty (60) calendar days otherwise the sanctions, shall be deemed lifted. The decision of the Authority shall become final and executor. Other than the imposition



of monetary penalties, the authority may dissolve/revoke, after due process, the authority of the cooperative to operate (Zubiri, 2008).

Policy on Issuing the Certificate of Good Standing to Cooperatives

Cooperative Development Authority is the agency in charge in monitoring the different annual reports of each registered primary cooperatives every end of fiscal year. That all cooperatives should submit the required requirements as provided by the Republic Act 6938 and 9520 of the Philippine code of cooperative, here by promulgates providing the incentives for the guideline, to govern the issuance of Certificate of Good Standing (CGS).

Set the requirements as provided for in the Cooperative Code of the Philippines of 2008 (RA 9520) and the charter of CDA (RA 6939), establish the administrative responsibilities of the concerned office/unit within the Authority to ensure the proper implementation of this guideline, and establish standards for the availment of incentives and privileges accorded to cooperatives by other institutions (Santiaguel, 2011).

Purpose of Issuing Certificate of Good Standing

There are two purpose of issuing CGS for cooperatives the regular purpose and the special purpose. Which the regular purpose CGS is for the purpose of complying with the mandatory requirements as required by RA 9520 and to avail the incentives and privileges under the Cooperative Development Authority–Bureau Internal Revenue (CDA-BIR) joint Rules and Regulations Implementing Articles 60 and 61 of RA 9520 in relation to RA 8424 and the requirements of Local Government Units (LGUs) permits and licenses. The special purpose for the application is for CGS may only be issued to a cooperative for a special



operation. In case of importation purpose, application shall be subject to further evaluation by the authority to determine the capability of the cooperative to avail the privileges granted to cooperatives (Santiaguel, 2011).

Requirements for granting Certificate of Good Standing for Regular Purpose

1. Letter request duly signed by the Cooperative Chairman or any authorized representative of the requesting cooperative stating therein the reasons for such request.
2. Proof of compliance to statutory reports for the preceding fiscal year or complete copies thereof.
3. Copy of the updated bond of accountable officers or employees of the Cooperative.
4. Minutes of the General Assembly Meeting for the current or preceding year including the results of the election of the Board of Directors and the Committee Members, approval of development plan and/or annual plan and budget, and acceptance of General Assembly of financial statements, management and committee reports.
5. Certificate fee

Requirements for Granting Certificate of Good Standing for Special Purpose

1. Letter request duly signed by the Cooperative Chairman or any authorized representative of the requesting cooperative stating therein the reasons for such request.
2. Copy of latest Certificate of Good Standing issued for regular purpose for the preceding year or current year, whichever is applicable.
3. Favorable endorsement from the concerned Extension Office.



4. Certification Fee

Purpose for the Requirements

Upon submission of the different required reports, CDA is in charge in monitoring the status of cooperatives, to guide the good management and continuous operation of the cooperative in acquiring the different reports required, to assess each social needs and economic development of the cooperatives in terms of complying the reportorial requirements, to assigned personnel for the submission of reports required, and to monitor the programs of activities undertakings by the cooperatives every end of calendar year for the issuance of CGS after submitting all the required reports.

Reports as Basis for Monitoring

Manager of the cooperative must need to study cooperative laws and policies which are workable and at the same time could be attributed to the successful operation of the cooperative, must have initiative to plan the work of the whole cooperative to follow up the reports to work as a team that must be able to work in the submission of reportorial requirements to the CDA, this report are the CAPR and AFS reports. Based on the results monitored by the Authority in each year they identified the cooperatives that are non-compliance and compliance of required reports, from La Trinidad, Benguet and comparing it to the other municipalities of the Province of Benguet. Table 1 presents the number of non-compliance cooperatives in La Trinidad Benguet from 2007 to 2010.



Table 1. Number of non-compliance cooperatives in Benguet

TOWN	YEAR			
	2007	2008	2009	2010
Atok	1	3	3	2
Bakun	1	0	2	0
Bokod	1	0	2	2
Buguias	3	4	4	3
Itogon	6	1	11	2
Kabayan	1	0	2	0
Kapangan	0	2	1	1
Kibungan	3	3	5	1
La Trinidad	7	9	11	3
Mankayan	1	3	2	2
Sablan	0	1	4	3
Tuba	1	1	5	1
Tublay	0	1	1	0
TOTAL	25	28	53	20

Conceptual Framework of the Study

The frame of the study determines the level of awareness on the reportorial requirements of the CDA. It also involves identifying the different factors affecting the non-compliance of the primary cooperatives in La Trinidad, Benguet. Furthermore, it seeks to identify suggestions from the non-compliance cooperatives.

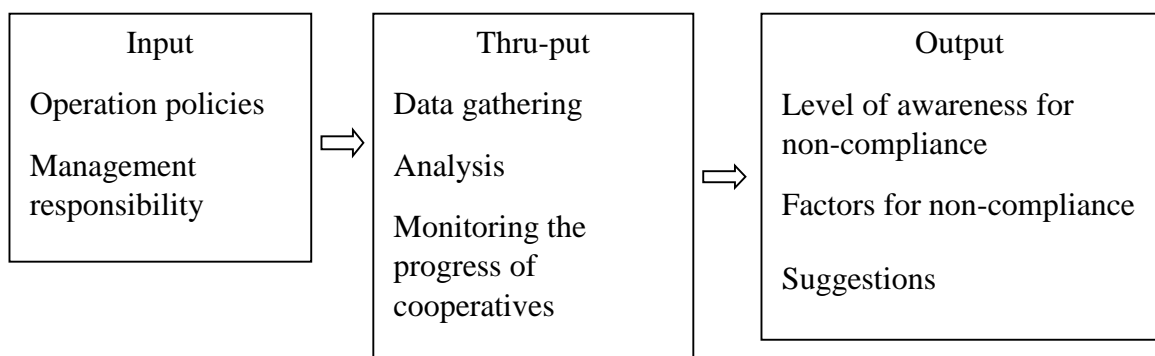


Figure 1. Paradigm of the study



Definition of Terms

Accountable officers – shall refer to persons directly responsible for handling funds, securities and properties of the cooperative such as, but not limited to the Chairman, manager, treasurer, Cashier, Secretary and such other persons as may be authorized by the cooperative to act as custodian of funds, merchandise, inventories, securities and other assets of the cooperative.

Authority – refers to the Cooperative Development Authority (CDA).

Certificate of Good Standing (CGS) – is a certificate issued by the Authority to the operating cooperatives that have complied with the mandatory requirements as provided in RA 9520, IRR and other administrative issuances which entitle cooperatives to avail incentives and privileges accorded to them.

Compliance - the act or process of complying with a desire, demand, proposal, or the conformity in fulfilling official requirements of the cooperative to CDA.

Cooperative activities – refers to the membership, governance and institutional undertaking of the cooperatives.

Cooperative Development Authority (CDA) – this is the government agency in charge of the registration and regulation of the cooperative as such, herein referred to as the Authority.

Legitimate purposes – refers to the any purpose that is not contrary to law, moral, public policy.

Non-compliance – failure to submit the reportorial requirement to the authority or failure to obey.



Operating cooperative - refers to cooperative that has been performing cooperative activities with business operations whether realizing gains or losses in the conduct of business. The business operation requirement can be waived only to the newly registered cooperatives existing for not more than one (1) year from the date of its registration.

Preceding fiscal year – shall refer to the fiscal year immediately preceding the date of regular CGS issuance.

Reportorial requirement - a report details of cooperatives activities throughout the fiscal year or calendar year.

Reports - shall refer to any documents or statements required from cooperatives to be submitted to the Authority on a regular basis.



METHODOLOGY

Locale and Time of the Study

The study in non-compliance on reportorial requirements of primary cooperatives was conducted in La Trinidad, Benguet from April to May 2012.

Respondents of the Study

There were seven non-compliance cooperative in 2007, nine in 2008, eleven in 2009 and three in 2010. Using total enumeration, there were 30 respondents of the study. These were the managers and staff of the non-compliance primary cooperatives in La Trinidad, Benguet.

Data Collection Procedure

Data were collected through the use of survey questionnaires, personal interview and observation. A secondary data were requested from the CDA to suffice the data needed.

Data Gathered

The data gathered were the level of awareness on the different reportorial requirements, the factors affecting the non-compliance on required reports, and the suggestions from cooperatives in the compliance on reportorial requirements to the CDA.

Data Analysis

The data collected were tabulated, analyzed and summarized with the use of frequency count and percentage.



RESULTS AND DISCUSSION

Information about the Cooperative

This section presents a brief profile or information of the primary cooperative studied. It includes the registration of the cooperative, how the cooperative was organized, the profile of the members such as the number of membership and the status of membership, the attendance of members to the Pre-membership Education Seminar (PMES), the attendance of officers to seminars or trainings and the profile of the management staff employed such as the number of staff and their positions or functions and their attendance to trainings and seminar.

Registration date. Based on the data given by the CDA, majority of the cooperatives were registered to the CDA in 2010. These cooperatives were registered under the new Republic Act 9520 or also known as the Philippine Cooperative Code of 2008. Out of 30 non-compliance cooperatives in La Trinidad, Benguet 21 of them was registered in 2010, while nine cooperatives were registered in 2009. This results revealed that most of the primary cooperatives in La Trinidad, Benguet involve in non-compliance on reportorial requirements were registered in 2010. Table 2 presents the registration date of the non-compliance primary cooperatives on the reportorial requirements as of 2007 to 2010.



Table 2. Registration date of the non-compliance cooperatives

NAME OF THE COOPERATIVES	DATE OF REGISTRATION
1. Alno Rural Community Development Cooperative	10/22/2009
2. Ambiong la Trinidad MPC	03/22/2010
3. Balangbang MPC	03/17/2010
4. Bantay Consumers Cooperative	03/02/2010
5. Benguet Agricultural & Fishery Cooperative (BAFCO)	03/05/2010
6. Benguet Farmers Development MPC	02/22/2010
7. Cordillera College Employees MPC	03/22/2010
8. Cordillera Development MPC	11/03/2009
9. Cordillera Regional Science High School Cooperative	10/14/2009
10. Craftman International Training Center Service Cooperative	08/18/2009
11. DEP-ED CAR Regional Office Employees Cooperative	03/22/2010
12. Guitley MPC	01/22/2010
13. Highland Emergency Action & Response Team (HEART) Cooperative	03/21/2009
14. Highland Vegetables Suppliers MPC	03/22/2010
15. La Trinidad MP Housing Cooperative	03/09/2010
16. La Trinidad Municipal Employees MPC	03/18/2010
17. La Trinidad Police Credit Cooperative	03/22/2010
18. La Trinidad Strawberry MPC	02/16/2010
19. La Trinidad Vegetables trading Post	10/30/2009
20. La Trinidad Vendors Cooperative	03/22/2010
21. Lamtang MPC	03/22/2010
22. Landbank Employees & Associates MPC	03/22/2010
23. Land Reform Cooperative	04/12/2009
24. Linosod Farmers MPC	03/21/2010
25. Longlong Puguis La Trinidad MPC	02/22/2010
26. Lubas MPC	02/17/2010
27. Mega Realm Cooperative	03/22/2010
28. Safid Credit Cooperative (SACREDO)	11/24/2009
29. Seeds and Fruits MPC	01/20/2010
30. Winterland Marketing Cooperative	09/09/2009

Organization of the cooperative. Each of the cooperative was organized through the efforts and unity of people in the community. Some of the cooperatives were organized for the farmers. These cooperatives were established through the availability of the people who have knowledge to organize such cooperative and the ability of



these people to lead. Some of the cooperative started as a sari-sari store until they registered to the CDA.

The registration of cooperative to the Authority is to meet the needs of the members, to participate in the socio-economic and political development of the cooperatives and to help the farmers become active producers of any crops providing them additional income and improving their standard way of living. Furthermore some of the cooperatives were organize through the consumers or users of domestic water system founded by the Non-government Organization (NGO). These NGO's assisted the water organization in its essential registration to the CDA, the farmers, the community and the association of employees in putting up cooperatives.

Table 3 presents the organization of the cooperatives according to each type of cooperative. Table show that 16 (53.33%) of the respondents are engage on Multi-purpose Cooperative, three (10%) engage on Consumers Cooperative and two (6.67%) engages on Credit Cooperative. However, some of the respondents are engage on the different types of cooperatives such as Marketing, Service, Agrarian reform, Education, Fishermen, Health service, Housing, Water service and Workers Cooperatives. This implies that majority of the respondents are engage on Multi-Purpose Cooperative types of cooperatives.



Table 3. Organization of the cooperatives according to the type of cooperative

TYPES OF COOPERATIVES	FREQUENCY	PERCENTAGE
	F	%
1. Credit cooperative	2	26.67
2. Consumers cooperative	3	10.00
3. Marketing cooperative	1	03.33
4. Service cooperative	1	03.33
5. Multi-purpose cooperative	16	53.33
6. Agrarian reform cooperative	1	03.33
7. Education cooperative	1	03.33
8. Fishermen cooperative	1	03.33
9. Health service cooperative	1	03.33
10. Housing cooperative	1	03.33
11. Water service cooperative	1	03.33
12. Workers cooperative	1	03.33

Profile of the Members

This section presents the number of members and status of membership of the cooperatives involve in non-compliance on reportorial requirement.

Number of members. Table 4 shows that 50% of the cooperative has a number of members ranging from 51 to 100, this followed by 36.67% of the cooperative with 1 to 50 members. This indicates that most of the non-compliance cooperative has a less number of members.

Status of membership. Table 4 also presents the status of membership of the cooperative. All of the non-compliance cooperatives are active regardless as to these cooperatives fail to comply on some of the reportorial requirements.

Attendance of Members to the PMES

Table 4 shows that majority of the respondents monitored the attendance of their members to the PMES. This implies that majority of the primary cooperatives complied



with the cooperative principle of education and information. However, 46.67% of these non-compliance cooperatives did not implement this principle.

Attendance of Officers to Training or Seminars

Table 4 presents that 16 (53.33%) of the respondents did not attend training or seminars. However, 14 (46.67%) of the respondents attended this activity. As explained by the respondents, although there is training or seminars they were not informed about it. They also claimed that the distance of the venue of training or seminars and their being busy at work reasons them not to attend. Lastly, the absence of training or seminars undertaken by the cooperative is another reason for not attending.

Table 4. Profile of the members, attendance of members to PMES and attendance of officers to training and seminars

PARTICULARS	FREQUENCY	PERCENTAGE
	F	%
Profile of the Members		
a. Number of the Members		
1 – 50	11	36.67
51 – 100	15	50.00
101 – 150	2	06.67
151 – 200	0	00.00
201 – 250	1	03.33
251 – 300	1	03.33
b. Status of Membership		
Active	30	10.00
Attendance of Members to the PMES		
Yes	16	53.33
No	14	46.67
Attendance of Officers to trainings/Seminars		
Yes	14	46.67
No	16	53.33



Management Staff Employed

This section presents the number of staff, their positions or functions and their attendance to training or seminars. There were 77 cooperatives in La Trinidad, Benguet but 30 of these cooperatives failed to comply the reportorial requirements with the CDA

Number of staff. Table 5 presents a great number 13 (43.33%) of the respondents who employ three staff in the cooperative. There are 23.33% (7) who employ two staff and there are 20% or six who employ only one. The other cooperatives employ four, five, six and seven which is 3.33% or one.

Positions or functions. Table 5 also shows the profile of management staff employed according to the positions or functions. There are 36.67% (11) of the respondents who employ a secretary, 30% (9) who employ treasurer, six (20%) who employ sales clerk, five (16.67%) who employ storekeeper, four (13.33%) who employ cashier and lastly is one (3.33%) who employ accountant.

Attendance to training or seminars. Table 5 further shows the attendance of the staff to training or seminars. It can be seen from the table that majority of the respondent's staff are not attending trainings or seminars. These were the cooperatives that do not require attendance of their staff to training or seminar. However the cooperatives required their staff to attend training or seminars has yielded 14 (46.67%).



Table 5. Management staff employed

MANAGEMENT STAFF EMPLOYED	FREQUENCY	PERCENTAGE
	F	%
a. Number of Staff		
1	6	20.00
2	7	23.33
3	13	43.33
4	1	03.33
5	1	03.33
6	1	03.33
7	1	03.30
b. Positions/Functions		
Secretary	11	36.67
Treasurer	9	30.00
Bookkeeper	7	23.33
Storekeeper	5	16.67
Sales clerk	6	20.00
Cashier	4	13.33
Accountant	1	03.33
c. Attendance to training/seminars		
Attended training or seminars	14	46.67
Have not attended any training or seminars	16	53.33

Assessment on the Level of Awareness to the Reportorial Requirements

This presents the awareness of the cooperatives on the reportorial requirements such as the CAPR and the AFS.

Cooperative Annual Performance Report

Table 6 shows the level of awareness of the cooperatives on the reportorial requirements of the CDA with regards to the CAPR. The CAPR deals with the requirements and information on the operation of the cooperatives.

Requirements. Table 6 presents the level of awareness about the CDA prescribed reportorial requirements by the cooperative. Table 5 shows the respondents



are almost fully aware on the requirements which involves the rules and regulation of CDA governing/mandating each cooperative on the submission of CAPR, the time and schedule of preparation of the required report, the mode of submission such as through registered mail, electronic mail or hand carried to concerned CDA extension office, the preparation of supporting documents of the required report, preferably assigned personnel accountant to fill up the CAPR form and CDA assigned personnel in monitoring the required report of each cooperative.

Table 6. Level of awareness about the CDA prescribed reportorial requirements by the cooperative.

REQUIREMENTS	WEIGHTED MEAN	DESCRIPTION
1. Rules and regulation of CDA governing or mandating each cooperative on the submission of CAPR.	4.23	Almost fully aware
2. Time and schedule for the submission of CAPR to CDA.	2.33	Slightly aware
3. Time and schedule of preparation of the required report.	3.53	Almost fully aware
4. Mode of submission such as through registered mail, electronic mail or hand carried to concerned CDA extension office.	3.87	Almost fully aware
5. Preferably assigned personnel (within the cooperative) to fill up the CAPR form.	3.90	Almost fully aware
6. Preferably assigned personnel accountant to fill up the CAPR form.	3.90	Almost fully aware
7. Preparation of supporting documents of the required report.	3.93	Almost fully aware
8. CDA assigned personnel in monitoring the required report of each cooperative.	3.93	Almost fully aware



However the respondents are slightly aware on the other requirements involve such as the time and schedule for the submission of CAPR to CDA. This implies that majority of the respondents complied on the required reports and have knowledge on the preparation of CAPR.

Cooperative operational information. Table 7 presents the level of awareness to cooperative operational information. Table 7 show that the respondents are almost fully aware with regards to the qualification of management staff in accomplishing the form and the availability of personnel with knowledge in the preparation of CAPR. On the other hand, the respondents are moderately aware on the functions of their staff which differ from their actual job. This indicated that besides the awareness of the respondents on the qualification and the availability of personnel there are times that what is being practiced is in contrary with the identified function of the management staff in accomplishing the form to be submitted to the CDA.

Table 7. Level of awareness to cooperative operational information

COOPERATIVE OPERATIONAL INFORMATION	WEIGHTED MEAN	DESCRIPTION
1. Qualification of management staff to accomplish the form.	3.67	Almost fully aware
2. Availability of personnel with knowledge in the preparation of CAPR.	3.70	Almost fully aware
3. Functions of staff differ from actual job.	3.33	Moderately aware

Legend:

5 – Fully aware	3 – Moderately aware	1 - Unaware
4 – Almost fully aware	2 – Slightly aware	



Audited Financial Statements

This section shows the level of awareness of the respondents on the reportorial requirements of the CDA with regards to the AFS. These AFS shows the financial information and financial records for the preparation of different report of the cooperative.

Financial information. Table 8 revealed that the respondents are almost fully aware on the financial information such as the time and schedule of CDA on the submission of AFS, the preparation and updating of the AFS and the assigned personnel who is tasked to prepare the AFS. On the other hand, the respondents are moderately aware on adopting the Standard Chart of Accounts prescribed by the CDA and the accuracy and adequacy of information needed to prepare financial statements for auditing. The result revealed that the respondents are almost fully aware on the financial information and have knowledge to prepare the required reports.

Financial records. Table 9 revealed the level of awareness as to financial information required by CDA report. The respondents are almost fully aware on the recording of financial transactions of the detailed information on financial condition such as the assets. Moreover, the respondents are moderately aware on the liabilities and paid-up share capital, on the detailed information on operations such as the revenues and expenses, however the respondents are slightly aware on the undivided net surplus. With regards to the information on loans receivable, the respondents are slightly aware on type of loan and the maturity of these loans.

Table 9 Further presents the level of awareness as to financial information required for CDA report. The respondents are slightly aware on the aging of accounts

Table 8. Level of awareness as to the preparation of financial statements



FINANCIAL INFORMATION	WEIGHTED MEAN	DESCRIPTION
1. Time and schedule of CDA on the submission of audited financial statements.	3.77	Almost fully aware
2. Preparation of Audited Financial Statements.	3.80	Almost fully aware
3. Updating the Audited Financial Statements.	3.73	Almost fully aware
4. Preferably assigned personnel (auditor) to prepare the Audited Financial Statements.	3.57	Almost fully aware
5. Adopting the Standard Chart of Accounts prescribed by the CDA.	3.47	Moderately aware
6. Accuracy and adequacy of information needed to prepare financial statements for auditing.	3.36	Moderately aware

receivables on delinquent loans, on the loan loss/ recovery information, the loans to directors, officers and staff, the allocated net surplus and to the information on investments.

This implies that the respondents lack knowledge on the aging of the account receivable and loans to directors, officers and staff especially the current loans, loan loss information and investments in cooperative federation as they are unaware.

This could due to the lack of knowledge of assigned personnel in keeping of records of the cooperatives. Moreover, the result explained that the keeping of financial transaction on the different loans including the net surplus is not well recorded and not fully documented.



Table 9. Level of awareness as to financial information required for CDA reports

FINANCIAL RECORDS	WEIGHTED MEAN	DESCRIPTION
Information on Financial Condition		
Assets	3.53	Almost fully aware
Liabilities	3.03	Moderately aware
Paid-up share capital	3.13	Moderately aware
Information on Operations		
Revenues	2.83	Moderately aware
Expenses	2.90	Moderately aware
Undivided net surplus	2.53	Slightly aware
Information on Loans Receivable		
By type of loan	2.00	Slightly aware
By maturity	2.07	Slightly aware
Aging of Account Receivables		
Current loans	1.43	Unaware
Delinquent loans	2.00	Slightly aware
Loans outstanding with one-day missed payments up to 30 days.	2.07	Slightly aware
Loans outstanding with missed payments of 31 days up to 12 months.	2.03	Slightly aware
Loans outstanding with over twelve months missed payments.	2.03	Slightly aware
Loan loss/ recovery Information		
Loans written off during the year.	1.93	Slightly aware
Loans recovered within the year.	1.93	Slightly aware
Loans to Directors, Officers and Staff		
Loan information	2.23	Slightly aware
Loan loss information	1.27	Unaware
Allocated Net Surplus		
Mandatory reserves allocation	2.07	Slightly aware
Amount available for members	2.30	Slightly aware
Information on Investments		
Long-term deposits in banks	1.90	Slightly aware
Investments in cooperative federation	1.47	Unaware
Government securities	2.13	Slightly aware



Table 9. Continued.....

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Information on External Borrowings		
Foreign loans	1.33	Unaware
Currents loans	1.37	Unaware
Information on Savings Deposits		
Withdrawable savings deposits	1.80	Unaware
Time deposits	1.77	Unaware
30 days	1.53	Unaware
More than 30 days to 90 days	1.43	Unaware
More than 90 days to 1 year	1.43	Unaware
More than 1 year to 5 years	1.40	Unaware
More than 5 years	1.53	Unaware
Non-withdrawable savings	2.03	Slightly aware

Operational Information. Table 10 presents the level of awareness of personnel to prepare financial reports. The respondents are moderately aware on the operational information such as the inadequacy of training of staff, availability of budget or financial transactions to audit and the availability of personnel in the preparation of AFS. This implies that the inadequacy of operational information of the AFS is due to lack of

Table 10. Level of awareness of personnel to prepare financial reports

OPERATIONAL INFORMATION	WEIGHTED MEAN	DESCRIPTION
1. Inadequacy of training of staff	2.67	Moderately aware
2. Availability of budget/financial transactions to audit	2.90	Moderately aware
3. Availability of personnel in the preparation of audited financial statements.	2.73	Moderately aware



training of the staff and the unavailability of budget and personnel at some point.

Factors Affecting Non-compliance of Primary Cooperative on Reportorial Requirements

This section presents the personnel and financial and operational information on factors affecting the non-compliance of primary cooperatives on reportorial requirements.

Personnel information. Table 11 presents the level of awareness about the problems affecting the personnel or staff to prepare the report. The respondents are neutral on the personnel information such as the cooperative management lack bookkeeper. In addition the respondents disagreed on the personnel information especially whether the personnel in charge in preparing reports lack knowledge in bookkeeping or accounting and the bookkeeper being untrained. This further implies that the respondents have bookkeeper who have knowledge on the preparation of different records to be audited.

Table 11. Level of awareness about the problems affecting the personnel or staff to prepare the reports

PERSONNEL INFORMATION	WEIGHTED MEAN	DESCRIPTION
1. Cooperative management lack bookkeeper	2.76	Neutral
2. Personnel in charge in preparing reports are lack of knowledge in bookkeeping/accounting	2.03	Disagree
3. Untrained bookkeeper.	2.43	Disagree

Legend:

5 – Strongly agree

4 – Agree

3 – Neutral

2 – Disagree

1 – Strongly disagree



Financial and operational information. Table 12 shows the level of awareness about the factors affecting the preparation of financial statement. The respondents are neutral on complete and accurate detailed information on financial condition and operation on paid-up share capital and expenses. On the other hand, the respondents disagreed on the financial and operational information on the completeness and accurateness of the detailed information on financial condition on the assets, liabilities, completeness and accurateness detailed information on operations on the revenues and undivided net surplus, completeness and accurateness of the loans receivable on the type of loan and maturity of loan, inadequacy and inaccuracy of records on aging of accounts receivable, loan loss or recovery information on loans recovered within the year and inaccuracy and inadequacy of records on loans to directors, officers and staff.

This implies that the respondents lack knowledge and records in preparing the reports to be submitted especially the inadequacy and inaccuracy of records on the loan loss or recovery information on loans written off during the year as they strongly disagreed.

Table 12 presents the factors affecting the non-compliance on reportorial requirements of primary cooperatives in La Trinidad. The table shows that the respondents disagreed on the inadequacy and inaccuracy of records on loan to directors, officers, and staff on loan and loan loss information, the inadequacy and inaccuracy of records on allocated net surplus on the amount available for members and the completeness and accurateness of information on investment in cooperative federation.



Thus, it implies that these factors affecting the non-compliance of primary cooperatives on the reportorial requirements of financial and operational information are not complete and accurate especially the mandatory reserves allocation, long term deposits in banks, government securities, foreign and current loans, and the completeness and accurateness of information on savings deposits as they are strongly disagree.

Furthermore it could be by the function of management and the cooperation of the respondents to prepare the records undertaken to be submitted to the CDA to avoid fines or penalties of being delayed in the submission of the different reports as stated by Zubiri (2008) and for the issuance of CGS as stated by Santiaguel (2011).

As explained by the respondents they just have their financial and operational information on the detailed information on financial condition and operation because they just engage on small cooperatives. Furthermore the other financial and operational information are not available to them because they are just engage in sari-sari store and they are just newly registered cooperative.



Table 12. Level of awareness about the factors affecting the preparation of AFS

FINANCIAL AND OPERATIONAL INFORMATION	WEIGHTED MEAN	DESCRIPTION
Complete and accurate detailed information on financial condition.	2.26	Disagree
Assets		
Liabilities	2.63	Disagree
Paid-up share capital	2.83	Neutral
Complete and accurate detailed information on operations.		
Revenues	2.33	Disagree
Expenses	3.30	Neutral
Undivided net surplus	2.36	Disagree
Complete and accurate information on loans receivable.		
By type of loan	2.13	Disagree
By maturity	2.06	Disagree
Inadequate and inaccurate records on aging of accounts receivable.		
Current loans	1.90	Disagree
Delinquent loans	1.90	Disagree
Loans outstanding with one-day missed payments up to 30 days.	1.90	Disagree
Loans outstanding with missed payments of 31 days up to 12 months.	2.00	Disagree
Loans outstanding with over 12 months missed payments.	1.93	Disagree
Inadequate and inaccurate records on loan loss/recovery information.		
Loans written off during the year.	1.83	Strongly disagree
Loans recovered within the year.	2.00	Disagree
Inadequate and inaccurate records on loans to directors, officers and staff.		
Loan information	1.90	Disagree
Loan loss information	1.93	Disagree



Table 12. Continued.....

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Inadequate and inaccurate records on allocated net surplus		
Mandatory reserves allocation	1.83	Strong disagree
Amount available for members	1.96	Disagree
Complete and accurate information on investments.	1.80	Strongly disagree
Long-term deposits in banks		
Investments in cooperative federation	1.97	Disagree
Government securities	1.77	Strongly disagree
Complete and accurate information on external borrowings.		
Foreign loans	1.43	Strongly disagree
Currents loans	1.40	Strongly disagree
Complete and accurate information on savings deposits.		
Withdrawable savings deposits	1.53	Strongly disagree
Time deposits	1.50	Strongly disagree
30 days	1.60	Strongly disagree
More than 30 days to 90 days	1.33	Strongly disagree
More than 90 days to 1 year	1.30	Strongly disagree
More than 1 year to 5 years	1.40	Strongly disagree
More than 5 years	1.30	Strongly disagree
Non-withdrawable savings	1.80	Strongly disagree

Suggestions of the Cooperatives Regarding
the Submission of Reportorial
Requirement to the CDA

Some of the cooperatives suggested the submission of AFS only to avoid confusion in the preparation of the CAPR. Moreover, some of the respondents suggested that the CDA should provide a pre-formatted form on the different reports and distribute to each of the active cooperatives. Lastly, they also proposed that the



CDA should assigned personnel to monitor each cooperative to know the problems or needs of the respondents for non-compliance on the required reports.



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study was conducted to determine the level of awareness on the different reportorial requirements to the CDA particularly in La Trinidad, Benguet. It also aimed to identify the factors affecting non-compliance of primary cooperative on the reportorial requirements. It further aimed to identify the suggestions from cooperatives in compliance with the reportorial requirements.

Level of awareness on the non-compliance of reportorial requirements was measured into five: (5) fully aware, (4) almost fully aware, (3) moderately aware, (2) slightly aware, (1) unaware and (1) strongly disagree, (2) disagree, (3) neutral (4) agree, strongly agree.

There are 226 cooperatives operating in La Trinidad, Benguet. Thirty (30) primary cooperatives were selected as respondents for the non-compliance on reportorial requirements.

A survey questionnaire was used to gather necessary data from the managers and staff of the cooperatives as the respondents. Personnel interview was also done to supplement the data gathered. Secondary data were also taken from the CDA specially the data on the different cooperatives involve in non-compliance of reports from 2007 to 2010.

The study on the information about the cooperative presents the brief profile of the cooperative, the registration and organization, the profile of the members such as the number of membership and the status of membership, the attendance of members to the PMES, the attendance of officers to seminars or trainings and the



profile of the management staff employed such as the number of staff and their positions or functions and their attendance to trainings and seminar. The result revealed that some of the respondents attended the seminars or training while some are not attending. And about half of the cooperatives employ three staff. The results further revealed that majority of the respondents are slightly aware on the level of awareness on reportorial requirement of cooperatives such as the CAPR and AFS. On the other hand, majority of the respondents disagreed on the factors affecting the preparation of reportorial requirements involving the financial records and operational information of the cooperative. Furthermore on the suggestions most of the respondents proposed that they just only submit the AFS so as not to confuse the preparation and submission of other reports to the authority.

Conclusions

Based on the findings the following conclusions were drawn:

1. Some of the cooperatives are not updated on the activities undertaken;
2. Some of the cooperatives are not complying because they lack staff to prepare the different report to be submitted to the CDA as requirements;
3. Some of the cooperatives are not complying because they lack time in the preparation of reports required;
4. Some of the cooperatives do not maintain the preparation of AFS even if it is required due to lack of cooperation;
5. Some of the cooperatives are not complying because of insufficient budget for the preparation of AFS of records;



6. Some of the cooperatives are not complying because of lack knowledge of bookkeeper on the preparation of required reports;

7. Some of the cooperatives are not complying because they fail to follow the prescribed rules and regulations of the Authority regarding the submission of the required reports;

8. Not all the cooperatives have a manager and a bookkeeper;

9. Some of the cooperatives have only one staff which is below the minimum required number of staff; and,

10. Some of the registered primary cooperatives in La Trinidad, Benguet are currently operating. However, some of the listed cooperatives are not located at their registered address.

Recommendations:

Based on the findings and conclusions the following recommendations were introduced:

1. The CDA should come up with a systematized way of monitoring and evaluating the cooperatives to determine whether the cooperative is operating in accordance with the rule and regulations of the CDA;

2. The Authority should continuously inform the cooperative in case there are changes with the policies set by them;

3. The CDA should provide seminars on bookkeeping and accounting for small cooperatives that cannot sponsor training or cannot afford to send their staff to training and seminars. These concerned cooperatives could also seek help from the big cooperatives to provide them tutorial on bookkeeping and accounting;



4. The CDA should monitor the availability of staff, manager, officers of the cooperative to do the preparation of required reports to be submitted specially the small cooperatives;

5. The CDA should check the timing and schedule of submission of the required reports;

6. The respondents should follow the rules and regulations of the CDA to avoid delay on the submission of reports and to avoid penalties; and,

7. Each of the cooperative must have a manager as prescribed by the rules and regulations of the Philippine Cooperative Code.



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