

SOCIAL AUDIT OF COOPERATIVES

Primer on Cooperatives (RA 9520)



ONE-COOP
FEDERATION

ANNUAL AUDIT

Cooperatives registered under this Code shall be subject to an annual financial, performance and social audit.

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

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

Transitory Period

All cooperative are hereby given two (2) years from effectivity of this Rule to comply with the Social Audit Requirements as provided.



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SOCIAL AUDIT

It is a procedure where the cooperative **assesses its social impact and ethical performance** vis-à-vis its stated mission, vision, goals and code of social responsibility.

It is a process to assess the cooperative's contribution for the upliftment of the status not only to its members' economic needs but also social needs and the community where it operates.

The cooperative's actual performance and accomplishment are compared to its vision, goals, and social responsibility as it relates to the impact not only to the community but to its regular members as the immediate beneficiary of the decisions and actions it promulgated, passed and implemented.

Social Audit will serve as **control mechanism** to account for its **social performance and evaluate its impact in the community** taking into account the community development fund which shall be used for projects or activities that will benefit the community where the cooperative operates.

OBJECTIVES OF SOCIAL AUDIT

Social Audit validates the support of the cooperative to the seventh cooperative principles on the "**Concern for Community**" and determines whether the cooperative work for the community's sustainable development through policies approved by their members.

The audit focuses not only to the economic side of the cooperative but also the **social aspect of the organization and appraises the cooperative performance** as value based organization usually participative, user and community oriented and non-profit but service organization and how its social responsibility for its members and the community as a whole was fulfilled.

Social Auditing is the systematic review of the attitudes, values, behavior, and degree of interaction of people within the cooperative as well as the policies, programs and activities being implemented by the cooperative.

SOCIAL AUDIT INDICATORS

The Social Audit of the cooperative shall consist of but not be limited to the following major components/categories with its objectives:

1. **Membership.** To determine the effectiveness of the cooperative in meeting the needs of its members vis-à-vis the socio-economic upliftment and empowerment of the members.
2. **Assets building.** To determine the cooperatives' performance in building up its economic capacity to respond to its social responsibility and development income generating undertakings for its members.
3. **Community Involvement and Solidarity.** To determine the degree of community, social, environmental involvement and solidarity of the cooperative. In relation to this, all cooperatives are encouraged to promote environmental awareness and instill environmental protection and conservation to their members and the community where they operate, and as far as practicable to conduct tree-planting activities in the community where they operate or its immediate environs.



SOCIAL AUDIT INDICATORS

4. **Information accessing and dissemination.** To determine the capability of the cooperative to access, process and disseminate information from/to its members and community. It looks into the function of the organization as an empowering and responsive mechanism.

5. **Gender, Youth, Elderly, Children, and Persons with Disability.** To determine how the cooperative has contributed in the social capital development for the welfare of the youth, the elderly, children, and persons with disability and the promotion of the gender fair culture and practices.

6. **Leadership and Organizational Management.** To highlight the attributes of the leaders/officers of the cooperative and efficiency in managing the affairs of the organization as it relates with its members and with government.



**WANT TO LEARN MORE ABOUT
COOPERATIVES?**

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