

*Republic of the Philippines*

*Mountain Province State Polytechnic College*

*Bontoc, Mountain Province*



# **TERMINAL REPORT**

## **Seminar-Workshop on Audit Management**

**July 24-26, 2015**

***Department of  
Accountancy***

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REPUBLIC OF THE PHILIPPINES  
**MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE**  
Bontoc, Mountain Province

## Terminal Report

### ACTIVITY IDENTIFICATION

Training Title:	Audit Management
Extension Component:	Continuing Education
Extension Program:	Seminar-Workshop
Cooperating Agency	Mountain Province Cooperative Union
Implementing Department:	Bachelor of Science in Accountancy
Faculty Extension Workers:	Terrence Leif F. Fangasan Rachel F. Fagyan Rodeline D. Villog Jenifer N. Damayan
Activity Facilitators:	BSA Students c/o Flore-ann B. Poclan
No. of Participants:	35
Venue:	EDNP Hall, Poblacion, Bontoc
Date:	July 24-26, 2015
Source of Fund	MPSPC and MPCU
Total Budget Requirement	<b>P 11,085.00</b> (2,685.00 c/o MPSPC)

### EXECUTIVE SUMMARY

In partnership with the Mountain Province Cooperative Union (MPCU) a seminar-workshop was conducted at EDNP Hall, Chico Building, Bontoc, Mountain Province. The target participants were audit committee of different primary cooperative members of Mountain Province Cooperative Union (MPCU). The Executive Officer of MPCU, Ms. Milagros Pangesfan, together with the representatives of the Mountain Province State Polytechnic College- Master in Business Administration (MBA) and Accountancy Department carried out the three-day seminar on audit management for cooperatives.

Before the lecture proper started, Ms. Rachel F. Fagyan, presented her study entitled "Internal Audit Management Practices of Selected Cooperatives in Mountain Province". She shared her findings in her study which is related to the seminar's topic which is Audit Management.

Formally conducting the seminar the topics on the Elements of Internal Audit was discussed by Ms. Jenifer N. Damayan. This was followed by a discussion on the Review of Books of Accounts and other Financial Records of the Cooperative by Ms. Rodeline D. Villog. These topics were all discussed during the first day. On the second day, the Conduct of Internal Audit was explained by Ms. Rachel F. Fagyan. Finally, Preparation of Audit Reports was discuss by Mr. Terrence F. Fangasan on the third day. Further, Ms. Flore-Ann B. Poclan, BS Accountancy student, also joined the activity as a facilitator during the scheduled activity.



While the topics were being delivered, related questions were also entertained. In effect, the participants were more attentive and digesting every word the speaker has to say. Further, an open forum was given at the end of the day where all questions were entertained and other participants shared some issues related to the topics. Finally, group activities were conducted to facilitate more interaction between the participants. After the workshop, the representatives per cooperative presented their work.

On the next day, Ms. Rachel F. Fagyan discussed the steps in the conduct of the internal audit. In here, the participants had raised various problems and experiences they had in their respective cooperatives in relation to conducting internal auditing. The final topic was then discussed the next day by Mr. Terrence Fangasan. He further presented some techniques on conducting effective internal auditing. At the end of the lecture, the participants were again given a chance to share during the open forum.

Apart from the regular discussions, during breaks, there were mini-consultation sessions done whereby the participants referred some of audit issues during their audit and ask some opinion of the speakers for that matter.

At the end of the day, participants were enlightened with the topics as it will be useful for the enhancement of their operation as coop. They were also able to comply with the CDA Memorandum Circular on the required trainings for officers and committee members.

To end the three-day activity, Certificates of Completion were given to participants who attended the training as well as to the Resource Speakers.

Along the process there were various problems encountered particularly on the target participants. The scheduled activity was supposed to be attended by audit committee of each of the cooperative members of MPCU. However, the cooperatives sent some of their staff other than audit committee. But despite of that, the seminar went smoothly. Further, the Resource Speakers had a limited time to prepare for the lectures due to other school activities coinciding on the second day of the seminar which is the celebration of the "JPIA Week". Generally, the activity was a success.

Prepared By:

  
**RACHEL F. FAGYAN, CPA, MBA**  
Extension Department Coordinator

Noted By:

  
**ELMER D. PAKIPAC, MSCD**  
Extension Director





# SEMINAR-WORKSHOP ON AUDIT MANAGEMENT



Welcome Remarks  
by Ma'am Mila

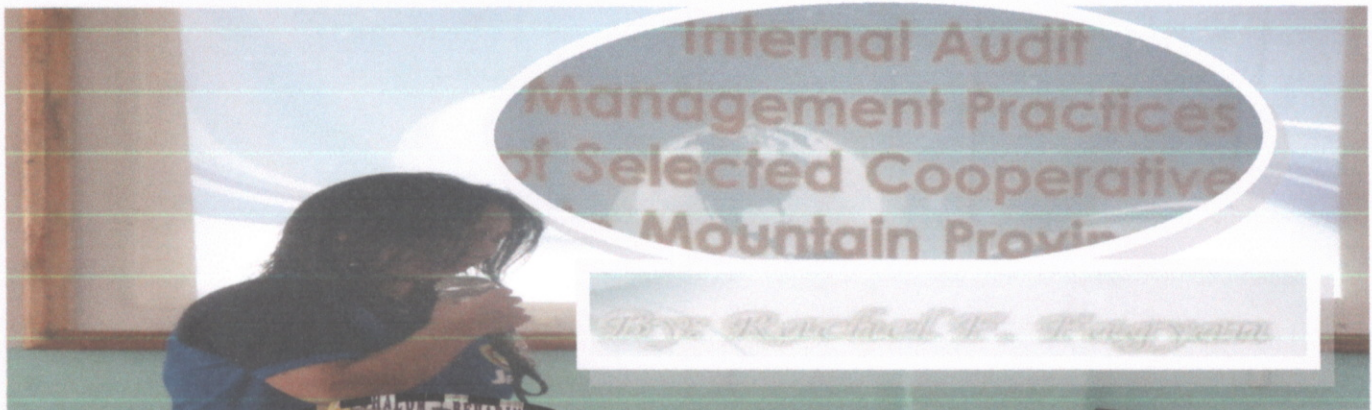


Registration  
of the  
Participants



Participants introducing themselves.



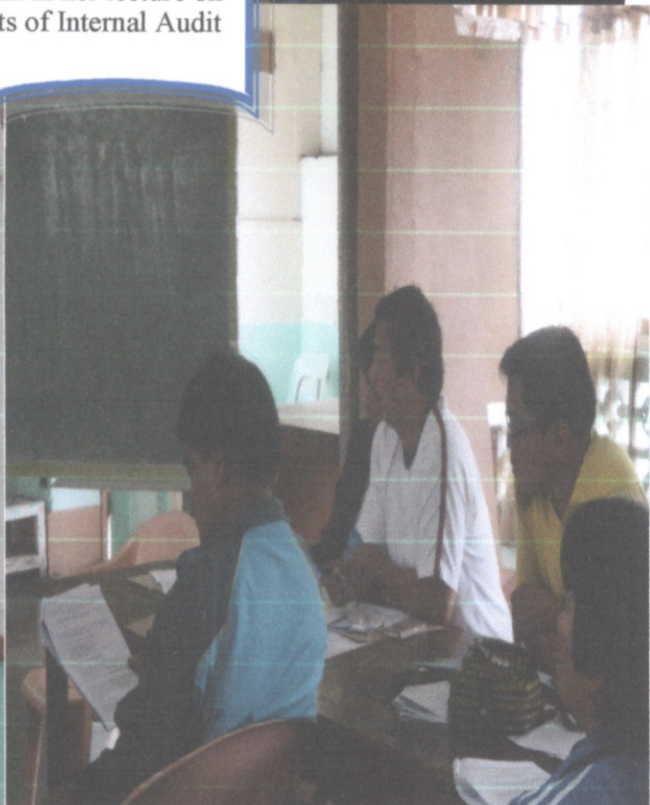
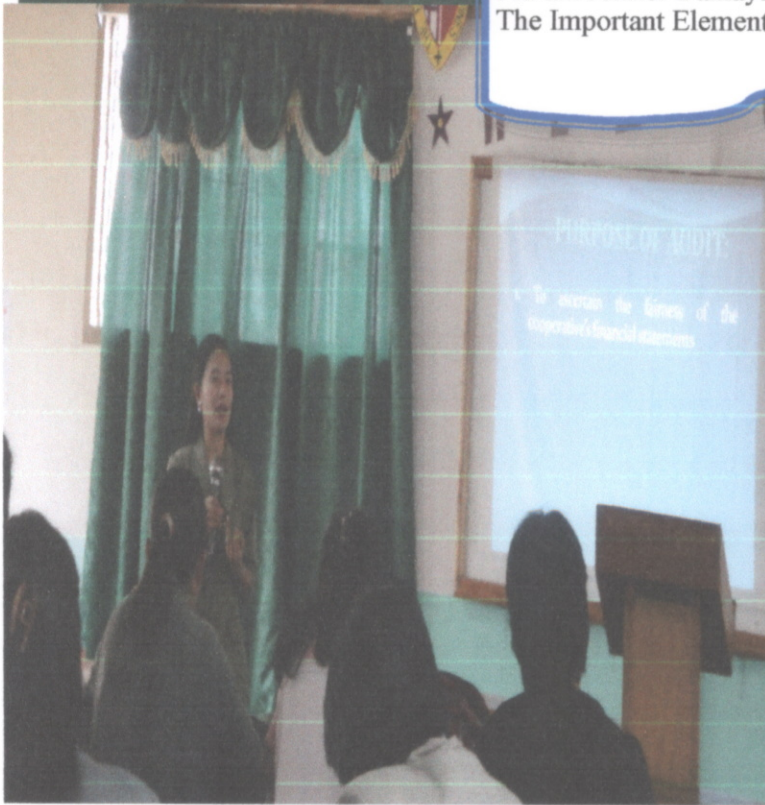


*Dr. Rachel P. Pangyan*

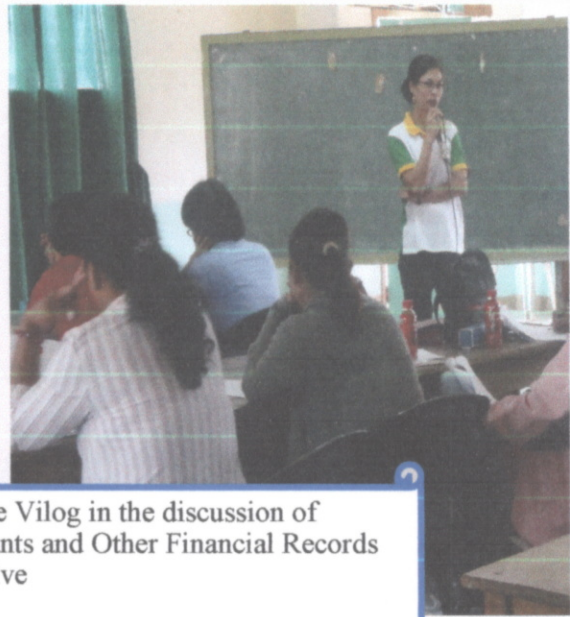
Ma'am Rachel presenting her study on "Internal Audit Management Practices of selected Cooperative in Mountain Province" to the participants and discussing its relation to the seminar conducted.



Ma'am Jenifer Damayan in her lecture on The Important Elements of Internal Audit



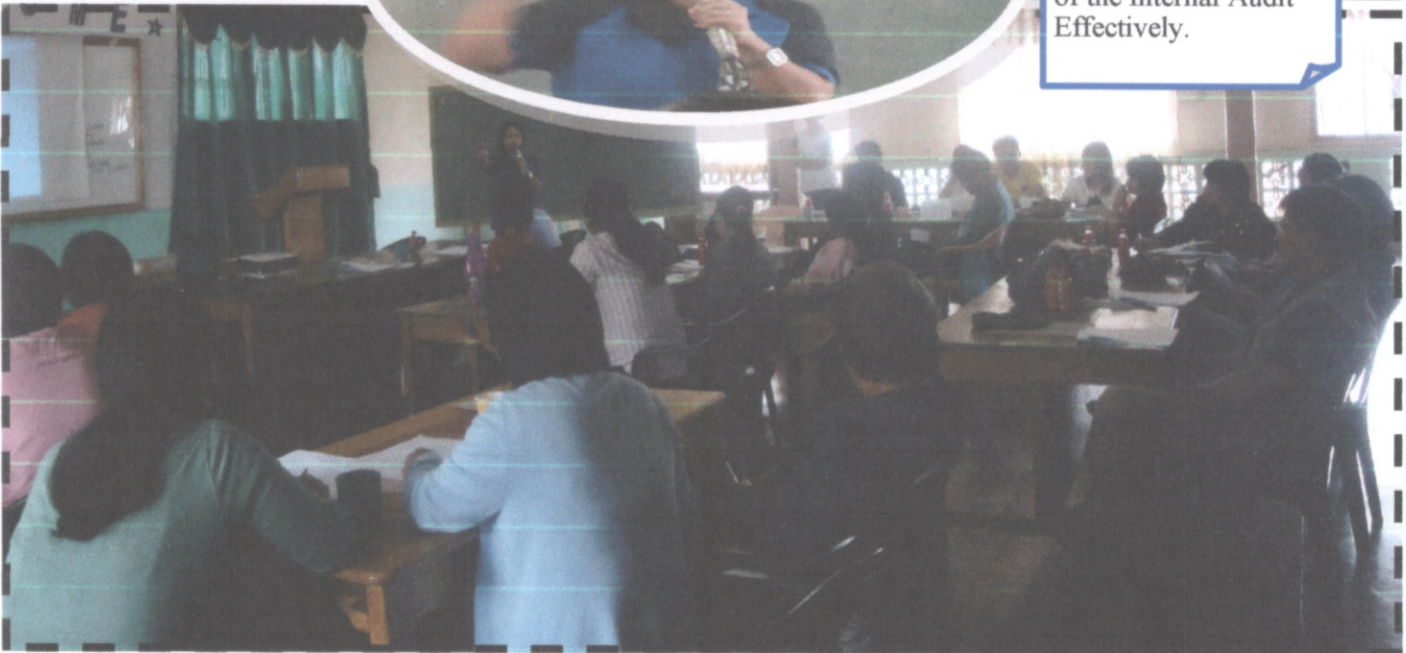




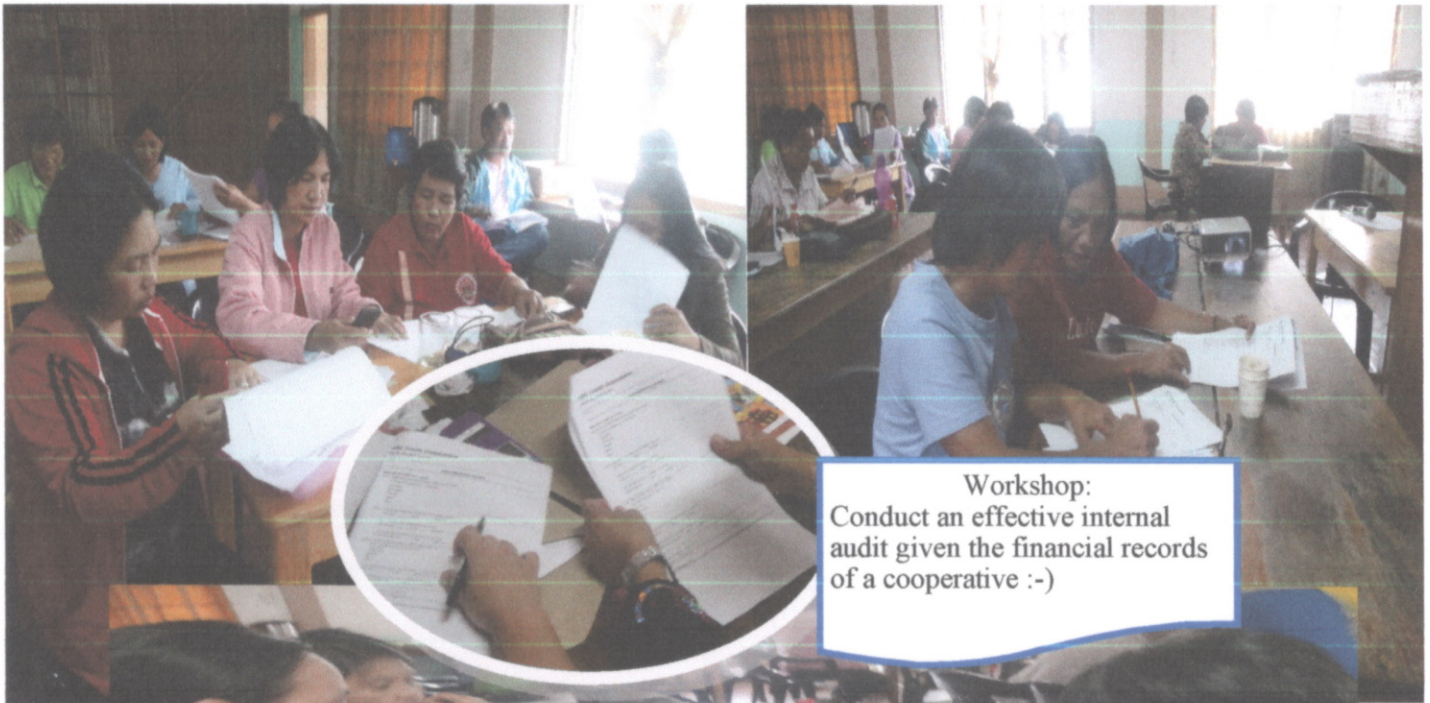
Ma'am Rodeline Vilog in the discussion of Books of Accounts and Other Financial Records of the Cooperative



Ma'am Rachel Fagyan discussing the Conduct of the Internal Audit Effectively.







Workshop:  
Conduct an effective internal  
audit given the financial records  
of a cooperative :-)



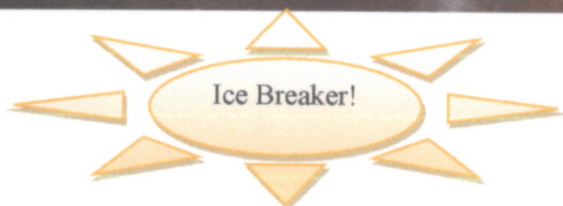
OPEN FORUM!  
Time to ask, time to  
learn and time to  
share :)





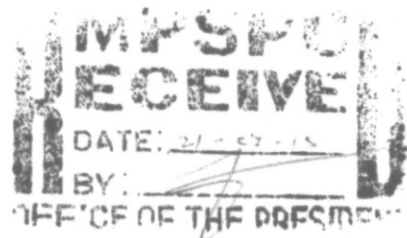


Evaluation of the Resource  
Speaker and of the activity



**MOUNTAIN PROVINCE COOPERATIVE UNION**  
**Foyayeng, Bontoc, Mountain Province**

July 21, 2015



**DR. REXTON F. CHAKAS**

President

Mountain Province State Polytechnic College  
Bontoc, Mountain Province

**SIR:**

WARM GREETINGS!

The Mountain Province Cooperative Union (MPCU) is sponsoring a seminar on **"Audit Management"** to be conducted on July 24-25 at the 4<sup>th</sup> floor Diocesan Center, Bontoc, Mountain Province.

In connection herewith, may we respectfully request your permission to allow **Mr. Terrence Leif F. Fangasan**, faculty of the Department of Accountancy to be one of our resource speakers during this seminar.

Thank you very much and hoping for your favorable action on this request.

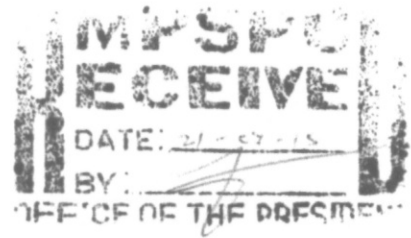
Very truly yours,

  
**MILAGROS F. PANGRESFAN**  
Executive Officer



**MOUNTAIN PROVINCE COOPERATIVE UNION**  
**Foyayeng, Bontoc, Mountain Province**

July 21, 2015



**DR. REXTON F. CHAKAS**

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**MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE**  
Bontoc Campus  
Bontoc, Mountain Province

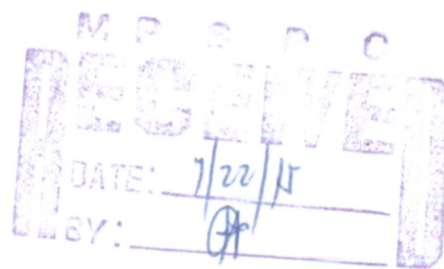


July 22, 2015

**ELMER L. PAKIPAC, MSCD**

Extension Director

Mountain Province State Polytechnic College



Sir:

This is to transmit the activity design of an extension activity on "Seminar-Workshop on Audit Management" to be held on July 24-26, 2015 at EDNP Hall, Poblacion, Bontoc, Mountain Province.

Prepared By:

  
**RACHEL F. FAGYAN, CPA**  
Department Extension Coordinator



Republic of the Philippines

**MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE**

Bontoc, Mountain Province



## ACTIVITY DESIGN

### ACTIVITY IDENTIFICATION

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Source of Fund	MPSPC and MPCU
Total Budget Requirement	<b>P 11,085.00</b> (2,685.00 c/o MPSPC)

### RATIONALE

Mountain Province State Polytechnic College is an institution concerned with the community. Among its four-fold function is to implement extension programs relevant to the community development. Further, these activities are in lined with the realization of its goals which are to "sustain implementation of researched-based extension programs that are practical to the community".

Specifically, to ensure a trustworthy organizational structure, work authority flows, people and management information systems geared towards the achievement of an organization's specific goals and objectives, various measures and activities are being employed. Through these, an organization's resources would be directed, monitored and measured in order to prevent and detect unwarranted schemes in the use of organizational resources both tangible and intangible.

For financial institutions like cooperatives, officers and committee members are entrusted to protect their members' interest through sound financial management and that they are held accountable on the flow, operation and management of the organization as a whole. To successfully perform their functions, officers and committee members need to be informed and constantly undergo specific trainings to justify decisions and actions taken. Further, they should be appropriately trained and be well informed on the related skills and knowledge they need in order for them to effectively serve their function in their respective cooperative.

Finally, from these trainings, the officers and committee members would be able to come up with system that will provide more reliable financial reports



achievement of strategic goals and increase compliance with applicable laws, rules and regulations governing the cooperative.

**OBJECTIVES:**

- At the end of the three-day activity, the learners should be able to:
- a. Discuss clearly the important elements of internal audit.
  - b. Review the books of accounts and other financial records of the cooperative.
  - c. Conduct internal audit effectively.
  - d. Prepare accurate internal audit report.

**METHODOLOGIES:**

The activity will make use of an interactive training approach, case analysis and workshops.

**ACTIVITY SCHEDULE**

DAY 1	
Time	Activity
8:00 a.m. – 8:30 a.m.	Registration
8:31 a.m. – 9:30 a.m.	Opening Prayer Pambansang Awit Welcome Remarks Presentation of Study
9:31a.m. – 12:00p.m.	Seminar – Workshop Proper
	A. Internal Audit (Kinds, Purpose, Scope/Frequencies)
	B. Duties & Responsibilities of the Audit Committee
	C. Code of Ethics for the Audit Committee
	D. Auditing Standards
1:00 p.m. – 4:30 p.m.	Seminar – Workshop Proper
	A. Books of Accounts & Other Financial Records of the Cooperative
	B. Standard Chart of Accounts
	C. Rules & Regulations (governing Internal Audit)
4:31 p.m. – 5:00 p.m.	Synthesis
DAY 2	
Time	Activity
8:00 a.m. – 8:30 a.m.	Registration
8:31 a.m. – 9:00 a.m.	Recap on the Lecture 1, 2 & introduction of Speaker
9:01 a.m. – 4:30 p.m.	Seminar – Workshop Proper
	A. Steps in the conduct of Internal Audit
	B. Audit Working Papers
	C. Preparation of Audit Plan
4:30 p.m. – 5:00 p.m.	Synthesis
DAY 3	
Time	Activity
8:00 a.m. – 8:30 a.m	Registration
8:31 a.m. – 9:00 a.m.	Recap on the Lecture 3 & introduction of speaker
9:01 a.m. – 4:30 p.m.	Seminar – Workshop Proper
	A. Standards in Audit Report Writing
	B. The value of the Internal Audit Report
	C. Closing the Audit
	D. Monitoring Audit Recommendation
4:30 p.m. – 5:00 p.m.	Closing Activities

### BUDGETARY REQUIREMENT

Item	Sub-total	Total
Supplies (For Lecture Notes, Certificates, Programs and Communications)		2,185.00
Ink Refill (Black)	600.00	
Ink Refill (Tri-colored)	700.00	
1 Ream Bond Paper Long	200.00	
4 packs Special Paper @ 40.00	160.00	
Photocopy of Lecture Handouts	525.00	
Meals (Snacks during the preparation of lecture materials)		500.00
35 packs * P 80.00/ meal * 3 days		8,400.00
<b>Total</b>		<b>11,085.00</b>

Prepared By:



**RACHEL F. FAGYAN, CPA**

Department Extension Coordinator

Noted By:



**CRISTIE LYNNE C. CODOD, Ph. D.**

Executive Dean, Bontoc Campus



**MARCELINO P. GAQUI JR., Ed.D.**

Graduate School Dean

Reviewed By:



**ELMER L. PAKPAC, MSCD**

Extension Director

Funds Available



**IMELDA D. GUIDANGEN, CPA**

Accountant III

Recommending for Approval:



**ANNIE GRAIL F. EKID, Ph. D.**

VP for Research Development  
And Extension

Approved By:



**REXTON B. CHAKAS, Ph. D.**

MPSPC President

Republic of the Philippines

**Mountain Province State Polytechnic College**

Department of Accountancy

Bontoc Campus

Bontoc, Mountain Province

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# **SEMINAR ON AUDIT MANAGEMENT FOR COOPERATIVES**

Participants: Board of Directors, Audit Committee Members, Management and Staff of  
various Cooperatives in Mountain Province

Date: July 24-25, 2015

Venue: 4<sup>th</sup> Floor, Diocesan Center, Bontoc, Mountain Province

Rachel F. Fagyan, CPA – MPSPC BSA Faculty

Rodeline D. Vilog, CPA – MPSPC BSA Faculty

Jenifer Damayan, CPA – MPSPC BSA Faculty

Terrence Leif F. Fangasan, MBA, CPA – MPSPC BSA Faculty

Resource Speakers



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Standards in Audit Report Writing	
The value of Internal Audit Report	
Closing the Audit	
Monitoring Audit Recommendations	

## **Course Description**

*This course aims to develop the basic competencies of members of the Audit Committee in performing the internal audit of the Cooperative, ensuring therein the adequacy and effectiveness of the cooperative's management and control system.*

## **Course Objectives**

Upon completion of the course the learners should be able to:

1. Discuss clearly the important elements of internal audit
2. Review the book of accounts and other financial records of the cooperative
3. Conduct internal audit effectively
4. Prepare accurate internal audit report

## Part I. Important Elements of Internal Audit

### A. Definition:

Auditing is a critical and systematic examination of a cooperative's:

- a. Internal control
- b. Accounting transactions, records, and financial statements already prepared by management and staff and other legal records, and documents, and
- c. Management performance

### B. Kinds of audit

#### 1. *As to who performs the audit:*

- a. **External audit** – an examination conducted by an independent accredited Certified Public Accountant (CPA). It is intended to serve as a basis for an opinion regarding the fairness, consistency, and conformity with generally accepted accounting principles and practices on the financial statements prepared by the cooperative. This audit is required under Article 80 of RA 9520 (Cooperative Code of 2008).
- b. **Internal audit** – a systematic, objective appraisal activity within the cooperative by the audit committee of the diverse operations and controls within the cooperative to determine whether the information prepared by the cooperative is accurate and reliable, ensure internal controls are working properly thus minimizing the operational risks exposure of the cooperative, the organizational objectives are effectively achieved, resources are used efficiently and economically, realize orderly growth in a safe and sound way and external regulations and internal policies and procedures are followed.

#### 2. *As to what to audit:*

- a. **Financial audit** – the examination of the accounting records, documents, and other evidences of the cooperative for the purpose of ascertaining the accuracy and authenticity of the items in the statements of financial condition and operations prepared by management.
- b. **Management audit** – the assessment and evaluation of the performance of management of the cooperative.

### C. Purpose of Audit

1. To ascertain the fairness of the cooperative's statements of operations, financial condition and cash flow statements.
2. To evaluate the overall performance of cooperative management.
3. To recommend appropriate actions for improvement.

### D. Scope of Audit

The audit of a cooperative covers primary both financial and management aspects. Financial audit includes the examination of the books of accounts of the cooperative and all documents and evidences supporting the entries in the books of accounts for the year under audit.

Management audit covers financing, marketing, production, personnel, office management and accounting practices.



#### **E. Frequency of audit:**

The committee shall conduct continuous audit of the transactions of the cooperative. Surprise cash count, pre-audit of disbursement vouchers – especially loans, inspection of purchases, and observation of inventory taking, physical verification of properties, plants (fixed assets) shall be done accordingly. These do not preclude other procedures necessary to safeguard the assets of the cooperative.

The internal audit report shall be submitted to the board of directors at least monthly. However, in case of adverse findings, interim reports must be submitted to the board immediately.

#### **F. The Audit Committee**

The audit committee is composed of at least three (3) members namely: the chairperson, the vice chairperson and the secretary elected by the general assembly to keep an eye on the operation of the cooperative in behalf of the membership. Its job is to protect members against loss due to poor operation, and at the same time protect other elected coop officials against unfair or unfounded accusations.

The members of the audit committee shall possess the following qualifications:

- a. Adequate technical training and proficiency in cooperative accounting;
- b. Familiarity with the business operation of the cooperative;
- c. Membership in the cooperative for at least one year before election;
- d. Good moral character and a deep sense of responsibility;
- e. Non-involvement, directly or indirectly, in any business in conflict with that of the cooperative; and
- f. Willingness to attend related training

#### **Duties and Responsibilities of the Audit Committee (MORR, Sec.3.22 b)**

1. Provide internal audit services;
2. Maintain a complete record of its examination and inventory;
3. Submit financial and management reports to the Board on a quarterly basis and performance reports to the annual general assembly;
4. Recommend the engagement of the services of an external auditor to the Board

#### **The Functions of the Audit Committee (Rule 7, section 4.5 of the Implementing Rules and Regulations of RA 9520):**

- a. To monitor the adequacy and effectiveness of the cooperative's management and control system;
- b. To audit the performance of the cooperative and its various responsibility centers (Performance Audit);
- c. Review continuously and periodically the books of account and other financial records to ensure that these are in accordance with the cooperative principles and generally accepted accounting procedures;
- d. Submit reports on the result of the internal audit and recommend necessary changes on policies and other related matters on operation to the Board of Directors and General/Representative Assembly;
- e. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

#### **G. Code of Ethics for the Audit Committee**

1. Observe independence as an internal auditor like an external auditor of the cooperative.
2. Perform the audit work personally.
3. Maintain integrity in performing the audit work.
4. Observe confidentiality of audit report until officially submitted to and discussed with the board of directors.
5. Render report only after the audit process has been thoroughly completed.

6. Refrain from making damaging statements against other members of the committee.
7. Discuss and agree among themselves the audit findings, recommendations, and report

## **H. Internal Auditing Standards**

### *1. Purpose, authority and responsibility*

The purpose, authority and responsibility of the audit committee must be formally defined in the cooperatives' Articles of Cooperation and By-laws. A separate charter for the Audit Committee may be adopted to define detailed activities, scope of work and timetable for submission of reports.

### *2. Independence and objectivity*

An independent mental attitude must be maintained in all matters relating to internal audit. The members of the audit committee should be objective in performing their work.

### *3. Proficiency and due professional care*

The examination must be performed by a person or persons having adequate technical training and proficiency. It must also be conducted with the care and skill expected of a reasonably prudent and competent individual.

### *4. Quality assurance and improvement program*

The chair of the audit committee should develop and maintain a quality assurance and improvement program that covers all aspects of internal audit activities and continuously monitor its effectiveness.

## **Questions for Discussion:**

1. Every month, the audit committee, unannounced, goes to the treasurer and conducts a spot audit of the sums of money in his accountability. Later, the committee goes to the cashier and conducts a spot audit. Why should spot audits be conducted?
2. Should the audit committee review the performance of the board of directors? Why?
3. Who audits the audit committee? Explain.
4. How much of a factor is the audit committee in securing integrity in cooperatives?



## Part II. The Book of Accounts and Other Financial Records of the Cooperative

Article 52 (3) of RA 9520 or the Philippine Cooperative Code of 2008 provides that each cooperative shall maintain *records of accounts* such that the true and correct condition and the results of the operation of the cooperative may be ascertained therefrom at any time.

- A. **Books of Accounts**— these are sets of books where business transactions are recorded and classified. These are classified into *books of original entry* and *book of final entry*.

**Books of original Entry** – books where entries from source documents are first recorded. These are:

1. Cash receipt journal – used for recording all cash received as reflected in the official receipts (OR).
2. Cash disbursement journal – used for recording all cash payments as reflected in the Cash Vouchers (CV).
3. General Journal – used to record adjusting, correcting, reversing, opening and closing entries.
4. Purchase journal – used for recording purchases either in cash or in credit/account as reflected in the receiving report (RR).
5. Sales journal – used for recording sales either in cash or on credit/account as reflected in the Cash Sales Invoice (CSI) and Charge Sale Invoice (ChSI).

**Book of final entry** – also known as the general ledger.

1. General ledger – the book where entries in the books of original entry are posted to the corresponding accounts. It is also called a “reference book” of the accounting system where transactions are classified and summarized. This is the source of data for the trial balance and eventually the financial statements.
- B. **Chart of Accounts**– is a listing of all the accounts and their account numbers in the ledger. This is arranged in the financial statement order, that is, assets first, followed by liabilities, equity, income and expenses.

Pursuant to Section 3 of Republic Act No. 6939, an Act creating the Cooperative Development Authority defining its Powers, Functions and Responsibilities, the Authority issued Memorandum Circular 2009-04 series of 2009 prescribing the use of Standard Chart of Accounts for Cooperatives.

### Scope

This Circular shall be applied in the accounting and financial reporting of all types of cooperatives, duly registered with the Cooperative Development Authority pursuant to Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008.

### Objective and Purposes

The basic purpose of prescribing the standard chart of accounts is to provide guidelines in the use of account and account titles in the preparation of financial statements for the use of all types of cooperatives. Specifically, these shall:

- a. Ensure uniformity and common understanding of accounts;
- b. Guide in the installation of accounting and internal control systems;
- c. Facilitate the conduct of audit;
- d. Enhance transparency;
- e. Sets standards and discipline in measuring the financial safety and soundness;
- f. Facilitate the analysis and evaluation of financial management performance;
- g. Provide basis in monitoring, supervision and business linkages.

# STANDARD CHART OF ACCOUNTS

## BALANCE SHEET ACCOUNTS ASSET ACCOUNTS

Current Assets		Non-current Assets	
			Fixed Assets
101	Cash on hand		
102	Cash in bank	120	Land
103	Petty cash fund	121	Land improvements
104	Revolving fund	122	Building
105	Cash advances to officers	123	Leasehold rights and improvements
106	Trading securities	124	Furniture and fixtures
107	Loans receivable - current	125	Office equipment
108	Loans receivable - restructured	126	Store equipment
109	Loans receivable - past due	127	Transportation equipment
110	Loans receivable - loans in litigation	128	(Accumulated Depreciation)
111	(Allowance for probable losses on loans)		Long-term Investments
112	Accounts receivable	129	Available for sale securities
113	(Allowance for doubtful accounts)	130	Held to maturity securities
114	Notes receivable	131	Other long-term investment (specify ex. Sinking fund)
115	Receivable from accountable officers and employees		Intangibles
116	Other receivables	132	Computerization costs
117	Inventories	133	Goodwill
118	Unused office supplies		Other Non-current Assets
119	Prepaid expenses	134	Other funds and deposits
		135	Due from head office/ branch
		136	Assets acquired in settlement of loans
		137	Other land
		138	Other building
		139	Miscellaneous assets

## LIABILITY ACCOUNTS

### Current Liabilities

### Long-term Liabilities

201	Savings deposits	212	Loans payable - long term
202	Time deposits	213	Revolving capital payable
203	Accounts payable	214	Retirement fund payable
204	Loans payable - short term (current)	215	Mortgage payable
205	SSS/ ECC/ Philhealth premium and PAG-IBIG contributions payable	216	Other long-term payables



206	Withholding tax payable		Other Liabilities
207	Accrued expenses	217	Deposit for share capital subscription
208	Interest on share capital payable	218	Project subsidy fund payable
209	Patronage refund payable	219	Mutual benefit fund payable ( Cooperative Guarantee Fund)
210	Due to CETF - Apex	220	Due to head office
211	Unearned interest income		

#### EQUITY ACCOUNTS

301	Fixed deposits/ Share capital		Statutory Funds
302	Subscribe share capital - common	311	Reserve fund
303	Subscription receivable common	312	Education and training fund - local
304	Paid-up share capital common	313	Optional fund (specify)
305	Treasury share capital common		
306	Subscribe share capital - preferred		
307	Subscription receivable preferred		
308	Paid-up share capital preferred		
309	Undivided net surplus (loss)		
310	Donations and grants		

#### REVENUE ACCOUNTS

401	Interest income from loans	409	Sales
402	Service fees	410	(Sales returns & allowances)
403	Filing fees	411	(Sales discounts)
404	Fines, penalties, surcharges	412	Service revenue/ income from fees
405	Membership fees	413	Rent income
406	Income/ Interest from investments	414	Gain on sale of other assets
407	Miscellaneous income		
408	Income from subsidy		

## EXPENSE ACCOUNTS

	Financing costs	522	Taxes and licenses
501	Interest expense on deposits	523	Professional fees
502	Interest expense on borrowings	524	Communication expense
503	Other charges on borrowings	525	Representation expense
504	Cost of Sale	526	General assembly expense
505	Purchases	527	Meetings and conferences
506	(Purchase returns and allowances)	528	Bank charges
507	(Purchase discounts)	529	Collection expense
508	Freight-in	530	Litigation expenses
	Administrative costs	531	Affiliation fees
509	Salaries and wages	532	Freight-out
510	Employees benefit	533	Social services expense (CGF expense)
511	SSS/ ECC/ Philhealth/ PAG-IBIG contributions	534	Promotional expense
512	Retirement benefit expense	535	Periodical, magazines, subscriptions
513	Officers honorarium and allowances	536	General support services
514	Trainings and seminars	537	Member's benefit expense
515	Office supplies expense	538	Depreciation and amortization
516	Power, light and water	539	Provision for probable losses on loans
517	Travel and transportation	540	Subsidized project expense
518	Insurance expenses	541	Loss on sale of other assets
519	Repairs and maintenance	542	Fuel and oil
520	Rent expense	543	Losses (spoilage, evaporation)
521	Doubtful accounts expense		
544	Revenue and expense summary		

### C. Financial Statements

A complete set of financial statements includes the following components:

1. **Statement of Financial Condition (Balance Sheet)** shows assets, liabilities, and equity accounts of a business entity as of a given date. Assets and liabilities are further classified as current or non-current. Non-current assets include property, plant and equipment, intangible assets, investments and financial assets (excluding investments under the equity method, trade and other receivables and cash and cash equivalents); while noncurrent liabilities include long-term debt, long-term provisions and other liabilities that will be settled after the current operating cycle or will not require the use of current assets. Equity accounts for a cooperative include members' share capital, donations and/or grants, and statutory funds.
2. **Statement of Operations (Income Statement)** presents revenues, costs and expenses, gains and losses and net surplus or net loss. The items presented are recognized in the books using modified accrual basis of accounting. Expenses are classified according to their function as part of cost of



sales/services rendered, distribution or administrative activities. In a cooperative the difference between revenues and expenses is called net surplus that is allocated in accordance with the Cooperative Code or the cooperative's bylaws.

- 3. **Statement of Changes in Member's Equity** shows separately the changes in members' equity, donations and grants and statutory funds. Transactions affecting these accounts include members' capital build-up, refund of share capital due to membership withdrawal, acceptance of donations and grants in cash or in kind and subsequent utilization, allocation of net surplus to and utilization of statutory funds.
- 4. **Cash Flows Statement** is a formal statement summarizing all the cash activities of the cooperatives. These include their operating, investing and financing activities.
- 5. **Notes to Financial Statements** include narrative descriptions or more detailed analyses of amounts shown on the face of the **financial statements as well** as additional information not presented on the face of the Statement of Financial Condition, Statement of Operation and Statement of Cash Flow to achieve fair presentation. It also describes the accounting policies and the measurement basis /bases used in the preparation of the financial statements.

Part III. Conducting Internal Audit Effectively

Steps in the Conduct of Internal Audit

1. Preliminary steps

- a. Assign the audit work
- b. Provide adequate audit supplies
- c. Familiarize yourself with the cooperative
- d. Secure a copy of the financial statements
- e. Evaluate internal control
- f. Obtain statements and records from management
- g. Conduct cash count
- h. Prepare programs/ plans for management and financial audit

2. Preparation of Audit Program

An audit program is a description or outline of work to be done in the audit. It includes time allotment and personnel assignments usually prepared by the chairman of the audit committee for the guidance and control of its members. This serves both as a planning document and control on work to be done. It also serves to document the work performed and provide information on dates and the persons performing the work.

Sample Audit Program for Financial Audit

Particulars	Done By	Date Performed	WP Reference	Remarks
Cash on Hand				
1. Conduct surprise cash count on cash on hand and other funds on hand under the custody of the treasurer/ cashier/ fund custodian, which form part of the cash items and obtain certification from the fund custodian.				

Particulars	Done By	Date Performed	WP Reference	Remarks
<u>Cash on Hand</u>  2. Compare the cash count with the general ledger account.  3. Require the fund custodian to deposit all checks presented for cash count. (Deduct NSF Checks).  4. Prepare cash on hand reconciliation to arrive at the balance per count.				

In support of the program are audit procedures which describe in detail the steps/acts to be perform by the Audit Committee to enable them to gather adequate evidence/data to prove the accuracy of the financial statements under examination.

***Audit procedures for management audit***

- a. Request for and examine the following:
  - The articles of cooperation and bylaws and any amendments thereto
  - Minutes of meeting of the general assembly and the board of directors
- b. Make an excerpt of important and pertinent provisions of all contracts, leases, agreements, plans (strategic and short term plans) and others.

***Audit procedures for financial audit***

- a. Audit the general ledger
- b. Audit the books of the original entry
  - Audit the Cash Receipt Book
  - Audit the Cash Disbursements Book
  - Audit of General Journal Book
  - Audit of Purchase Journal Book
  - Audit of Sales Journal Book
- c. Audit the voucher and invoices
- d. Paid check examination
- e. Audit the subsidiary ledgers (for loans and receivables, savings and time deposits, share capital)

***Commonly accepted audit procedures for various accounts***

- a. Audit cash on hand and in bank
- b. Audit petty cash fund and other funds
- c. Audit of accounts receivable



- d. **Audit of loans receivable**
  - *Reconcile totals of outstanding loans with controlling account in the general ledger.*
  - *Confirm the loans receivable. Select accounts with significant balances.*
  - *Determine if loan policies (on ceiling, collateral, co-makers, re-structuring) and documentation are correctly and consistently followed.*
- e. Audit of inventories
- f. Audit of investments in Stocks and Bonds
- g. Audit of investments in Trust Funds
- h. Audit of Prepaid Expenses
- i. Audit of deferred charges
- j. Audit of land
- k. Audit of building
- l. Audit program for plant, machinery, equipment, furniture's and fixtures
- m. Audit of leasehold
- n. Audit of accounts payable
- o. Audit of loans payable
- p. Audit of savings/time deposits
- q. Audit of share capital
- r. **Audit of reserves (General Fund, CETF Fund, Optional Fund and Community Development Fund)**
  - *Determine if charges to these accounts are properly authorized, fully documented and in accordance with the provisions of RA 9520 (Philippine Cooperative Code of 2008)*
- s. Audit of sales and other revenue
- t. **Audit of expenses**
  - *Basis and ceiling of bonuses, honorarium and allowances*
  - *Evaluate reasonableness of policy on provision for doubtful accounts expense*
  - *Evaluate reasonableness of policy on provision for depreciation expense*

## **Audit Working Papers**

### **1. Purpose of Maintaining Audit Working Papers**

Audit working papers should be adequately maintained to

- a. Link the audit and the audit report
- b. Validate the records of the cooperative as audited and presented in the audit report
- c. Serve as basis for findings, comments and recommendations.
- d. Serve as reference, e.g. future audits and reconstruction of records; and
- e. Support the committee in defending its position in case of law suits

### **2. Principles in the Preparation of Audit Working Papers**

- a. Care in the preparation of contents
- b. Care in the preparation of form
- c. Control of working papers
- d. Labeling the working papers
- e. Audit code or sign to be used
- f. Indexing the audit working papers

### 3. Complete Set of Audit Working Papers

- a. Draft of the audit report
- b. Audit program
- c. Working trial balance
- d. Adjusting journal entries
- e. Schedules
- f. Miscellaneous reconciliations, summaries, and others
- g. Account analysis
- h. Review of internal control
- i. Management audit questionnaires
- j. Excerpts of minutes, contracts, leases and others.

## Part IV. Preparation of Accurate Internal Audit Report

### Standards in Audit Report Writing

The audit report shall be written with clarity to avoid misrepresentation. It shall:

- Be addressed to the board of directors;
- Be dated immediately after the completion of the audit;
- Be signed personally by the members of the audit committee;
- State whether the audit or examination was made in accordance with established cooperative policies and procedures;
- State clearly the opinion expressed by the Audit Committee (AC) with respect to:

Financial statements covered

Any changes in accounting principles and practices

Adjustments

Violations of any provision of law, the regulations or the by-laws

Any exceptions on matters which the AC would want to qualify or state

AC may also render an opinion as to fairness of the financial condition as a whole. This will not prevent it from making an opinion on the management aspect of the cooperative.

- Be brief and concise without sacrificing necessary details; and
- In situations demanding footnotes of importance to financial analysts, members, and the general public, the following should be considered:
  - Change in accounting principles
  - Depreciation policy and adequacy
  - Asset liens
  - Change in product line or process
- The internal audit report shall be submitted to the board of directors at least monthly. However, in case of adverse findings, interim reports must be submitted to the board immediately.

**The Value of the Internal Audit Report**

The purpose of writing the report is to ensure that the concerned parties (BOD and Management) read it and address issues highlighted in it. The internal audit report style and format should therefore be simple, clear and easily understandable.

The report should outline the time period of the audit, the areas covered, and the samples and transactions tested.

The report should also highlight key findings in the area concerned, the risks that those findings reveal, and recommended steps to correct the situation. The report should be signed off by the person writing it, and the person receiving the report also signs the report to acknowledge receipt. This ensures that the communication of the audit work and recommendations is complete, and the accountability is clear.

**Sample Audit Finding Sheet**

Area Audited	Date	Findings	Effect/ Impact	Recommendations
Loans Receivable	6/30/2015	Approved Loan of Ms. Satarah Likod exceeded the loan ceiling policy by P200,000.00	Increased risk of unsecured loans	The loan officer, credit committee and manager should strictly enforced loan ceiling policies.
	6/30/2015	Past due account increased by 20% equivalent to P10,000,000.00	Increased expense ( provision for doubtful accounts)	Adopt strategy to collect past due loans.
Officers Honorarium and Allowances	6/30/2015	Unauthorized disbursement for bonuses on March 30, 2015 in the amount to P350,000.00	Increased expense/ Loss to the Cooperative	The Management should take remedial actions to recover amounts from the recipients.
Donations and grants	6/30/2015	Disbursement for donations and grants exceeded the budget allocation by P50,000.00	Increased expense/ Loss to the Cooperative	Adopt policy for BOD authorization for donations in excess of P20,000.00
Repairs and Maintenance Expense	6/30/2015	Capitalizable expenditure for Equipment was charged to Repairs and Maintenance Expense in the amount of P10,000.00 on April 5, 2015.	Overstate expenses	Management should reclassify the amount to Equipment thereafter subject to depreciation.



## **Closing the Audit**

After the last audit procedure has been completed and undertaken, the committee shall compile its working papers and all data necessary for the preparation of the report. The committee must be certain that the financial statements collated are adequate.

### *Last day of Audit*

- Review the audit working papers and compare with audit program to ascertain that all documents and data have been taken up;
- Verify audit findings that affect materially the operations of the cooperative;
- Review adjusting journal entries for accuracy, completeness and adequacy. Discuss the proposed adjustments with the management and/or board of directors;
- Complete the working papers to ensure adequate and necessary information for the preparation of the audit report; and
- Return all borrowed books of accounts and records to the person/s concerned.

## **Monitoring Audit Recommendations**

### *Why is there a need to follow-up audit recommendations?*

Previous internal and external audit reports, findings, and recommendations are used as references by the current audit committee to:

- Monitor the implementation of the recommendations of the previous auditors; and
- Determine the extent/intensity of the problems of the cooperative.

### *Frequency of follow-up*

Follow-up of audit recommendations may be undertaken every quarter or semi-annually depending on the extent of the cooperative's problems.

Recommendations or changes not implemented should be included in the final written report, and highlighted to the Management and Board of Directors.

**\*\*\* END OF SEMINAR \*\*\***

Republic of the Philippines  
Mountain Province State Polytechnic College  
Bontoc, Mountain Province

**SEMINAR-WORKSHEET ON AUDIT MANAGEMENT**

July 24, 2015

	Name	Address	Agency Represented	Position	Contact Number	Signature
1	DOMINICA L. ORTIZ	BONTOC	PCU	STAFF	0907319133	
2	NORA P. CHERWEG	Bontoc			09217845192	
3	JOHNNY W. BANGSOY	SAGADA	STAPC	XIC	0910732643	
4	MARILYN P. LAGUWID	BILA	Dangdang-ay MPC	Audit	09104432268	
5	Wangdali Jezebel	Bila	Dangdang-ay MPC	officer	09800755799	
6	Demery Sharon A. Gaya	BONTOC	DECCO	audit com.	0946497716	
7	Dorothy Y. Magdalit	Sagada	St. Columba	member	0909961263	
8	CRISTINA D. DEMOLOG	Sagada	St. Columba	member	0908590789	
9	Zinnia Pasieren	Sagada	St. Columba	audit com	0999789579	
10	Olympia Longgao	Ofucan	Ofucan farmer	audit com	09303449140	
11	Comingo, Nove D.	Ofucan	St. Pauls Coop	staff	09077110030	
12	MARILYN DECTAN S. WADINGAN	SAGADA	SMPC		09204873253	
13	MARY C. MONTEMOR	SAGADA	ANTS MULTI-COP	audit com.	09473119582	
14	Melanie Fulingen	Ofucan	Ofucan farmer coop	audit com	09102093283	
15	BENJAMIN B. PAMAY-D	BONTOC	DECCO	Member	09128051252	
16	ELIZA G. MAYAPII	Sagada	TLES	Audit com	09182664731	
17	HELEON PORCINOLA	BARLIG	EMMC	audit		
18	ALBERT PAYOCYA	Bontoc	SALOG-INC.	Audit	0908224055	
19	MARTIN F. PABILAN/M	BONTOC	SALOG	//		
20	Tessie B. Laran	Sagada	TLES	Audit		
21	Arcadia Wawey	Abatan, Bauko		Audit	09202059959	
22	Flore Ann B. Podaan	BAUKO	MPSPC	student	09064315789	
23	Zaira F. Pangerfan	BONTOC	MPCU			
24	JANICE G. LIGARDA	Bontoc	SALOG/INC	audit	09982548405	
25	RACHEL F. PAGHAN	BONTOC	MPSPC	Faculty	09004918423	
26	Milagros Pangerfan	Bontoc	MPCU	ex. officer		
27	RODELINDA D. VILDE	BONTOC	MPSPC	FACULTY		
28	Joselya K. LIND	Sadobolan	MSLEC	Audit com.		
29	Melinda Mangcay	Alab	M.P.C	P.O.D		
30	Concepcion Kibing	Alab Pangu	DMPC	Trua.	09219907648	
31	JENIFER N. DAMAYAN	BONTOC	MPSPC	Faculty	09187213421	
32	TERRENCE F. FANGCAN	BONTOC	MPSPC	FACULTY		
33	Daniela N. Paspas	BONTOC	ASCCO	Member		
34	Denver C. Kiwar	BONTOC	ASCCO	Member		
35	Marion Mae C. Pumecha	BONTOC	MPSPC	MBA		



Republic of the Philippines  
Mountain Province State Polytechnic College  
Bontoc, Mountain Province

**SEMINAR-WORKSHEET ON AUDIT MANAGEMENT**

July 25, 2015

	Name	Address	Agency Represented	Position	Contact Number	Signature
1	WANGDALI JESABEL	BILA, BAKO	Danglag-ay MPC	BoD Sec.	09300755796	
2	DOMINGA L. ORTE	BONTOC	PCO	STAFF	09073147133	
3	ARCADIA WARLEY	ABATAN	LHMRHEC	AUDIT	09202659959	
4	MARILYN P. LAGSIWED	BILA, BAKO	Danglag-ay di Ibilan	AUDIT COMM.	09104132268	
5	NAZAROF PASTELVARAN	BONTOC	OPAG	"		
6	Albert P. Payocyc	Bontoc	SATIS	"	5908224285	
7	MARY MONTECOR	Sagada	ANTS	Audit	09473119520	
8	TESSIE B. LA-AD	Sagada	TLC	Audit	09105608620	
9	Melanie T. Fulangen	Atucan	DEMPC	Audit	09102093283	
10	Olympia Langgawo	Atucan	DEMPC	Audit	09303649040	
11	COMINGA NOVE D.	ATUCAN	SPCC	STAFF	09077116030	
12	ELIZA G. MAYAPIT	Sagada	TLC	AUDIT	09182664731	
13	Zinna B. Patsiwer	Sagada	St. Columba	Audit	0999789536	
14	MARILEN DEGENS-HANANG	SAGADA	SMPC	—	09204873255	
15	NORA P. CHERWEG	Bontoc			09217645192	
16	Demery Shana A. Gapa	Bontoc	DECCO	Audit Com	09464197716	
17	Benzent B. Panay-o	Bontoc	DECCO	Member	09128051752	
18	Janice G. L. Zardo	Bontoc	Salog	Audit	0	
19	NELSON PONCINARA	Bontoc	SMPC	XOVERT		
20	Benzent B. Panay-o	Sagada	DEC			
21	Yolanda Mangugay	Atucan Proper	DMPC			
22	JOHNNY W. BANGSA	Sagada	DMPC	AUDIT		
23	Dorothy Y. Magalalit	Sagada	St. Columba St. Simon	Co-Com	09092961263	
24	Cristina D. Damolay	Sagada	St. Columba	member	0908599389	
25	Josefa K. Jimo	Sagada	MSLCC	Staff	09087125670	
26	Concepcion B. Kio-ig	Atucan Proper	DMPC	Treas	09219907648	
27	RODELINDA D. VILOG	Bontoc	MPSPC	FACULTY		
28	JEMFER N. DAMAYAN	Bontoc	MPSPC	FACULTY		
29	Flore Ann B. Pochan	Bontoc	MPSPC	Student		
30	RACHEL F. FAGYAN	Bontoc	MPSPC	FACULTY		
31	TERRENCE F. FANGASAN	BONTOC	MPSPC	FACULTY		
32	Milagros Pangseran	BONTOC	MPCC	Exec. Officer		
33	Daniela W. Paspas	Bontoc	ASCCO	Member		
34	Denver C. Kinas	Bontoc	ASCCO	Member		
35	Marion Mae C. Pumecha	Bontoc	MPSPC	MBA		



Republic of the Philippines  
 Mountain Province State Polytechnic College  
 Bontoc, Mountain Province

**SEMINAR-WORKSHEET ON AUDIT MANAGEMENT**  
 July 26, 2015

	Name	Address	Agency Represented	Position	Contact Number	Signature
1	WANGDAU JESABEL	BILA, BAIKO	Dangdang-ay di BILA MPC	BOB ecc.	09300755794	
2	DOMINICA L. ORTIZ	BAIKO	PCO	STAFF	09073147133	
3	ARCADIA WAWAY	ABATAN	LHMRHEC	AUDIT	09202659959	
4	MARILYN P. LAGUNED	BILA, BAIKO	Dangdang-ay di BILA MPC	AUDIT COMM.	09104132268	
5	NAZARIO F. PAGTEIVANIR	BONTOC	OPAG	"		
6	Albert P. Payocyc	Bontoc	SALDOG	"	09082240385	
7	MARY C. MONTOMAN	Sagada	AHTC	Audit	09473119581	
8	TESSIE B. LA-XO	Sagada	TLCS	Audit	09105008620	
9	Melanie T. Fulangon	OTUCAN	OTUCAN-Farmhouse MP	Audit	09102093283	
10	Olympia Pangasao	OTUCAN	OFMPCI	Audit	09303649040	
11	CONINGA, NOYE D.	OTUCAN	SFCC	STAFF	09077716030	
12	EUSA G. MAYAPIT	SAGADA	TLCS	AUDIT	09182664797	
13	Zinna Pasiwon	SAGADA	St. Columba	audit	09997815734	
14	MARILYN DEJANS-WINDANAO SAGADA	SAGADA	SMPC	—	09204873253	
15	NORA P. CHERWEG	Bontoc			09217845192	
16	Demery Sharon A. Gaya	Bontoc	DECCO	Audit	09464197716	
17	Benjent B. Pomay-o	Bontoc	DECCO	Member	09128051252	
18	JAMES C. LIZARD	Bontoc	SULLOG	CE Audit		
19	NELSON PORCINAXA	BAIKO	SHMC	ADULT		
20	Yolanda Mangasla	Alab Proper	DMPC			
21	JOHN W. BANGSAR	SAGADA	MPSC	AUDIT		
22	Dorothy Y. Magalalit	Sagada	St. Columba St. Roman	Cri Com	09097941243	
23	CHRISTINA D. DAMOLOG	Sagada	St. Columba	member	0908590789	
24	Josefa K. Lina	Sagadan	MSLEC	Staff	09087125670	
25	Concepcion P. Kiri-jy	Alab Proper	DMPC	Trust	09219907648	
26	RODELINA D. VILLO	Bontoc	MPSC	FACULTY		
27	RACHEL F. PAGYAN	Bontoc	MPSC	FACULTY		
28	Flora Ann B. Pockan	Bontoc	MPSC	Student		
29	JENIFER N. DAMAYAN	BONTOC	MPSC	FACULTY		
30	TERRENCE F. PANGASAN	BONTOC	MPSC	FACULTY		
31	Milagros Pangasfan	BONTOC	MPCU	Exec. Officer		
32	Laira F. Pangasfan	BONTOC	MPCU			
33	Daniela W. Pagpas	Bontoc	ACCCO	Member		
34	Denver C. Kinas	BONTOC	ACCCO	Member		
35	Marion Mae C. Pomecha	BONTOC	MPSC	MBA		

### **MPSPC VISION STATEMENT**

A vibrant and dynamic Philippine educational center.

### **MPSPC MISSION STATEMENT**

To provide progressive, relevant and accessible education that will contribute to a well-rounded community development.

### **MPSPC GOALS**

1. Produce Locally and Globally Competitive Graduates
2. Conduct needs-based researches
3. Sustain implementation of search-based extension programs that are practical to the community

### **BSA Objectives**

The MPSPC Department of Accountancy Aims to:

1. Produce professionally competent graduates equipped with the necessary skill & right attitudes to become leaders in the field of Accountancy;
2. Organize & conduct capacity building programs for faculty to improve teaching competency;
3. Develop & maintain linkages with the industry, alumni, & the community.

### **BSA Goals**

The MPSPC Department of Accountancy aspires to prepare its students to become competent, morally upright & socially responsible accounting professionals.

**Mountain Province State Polytechnic College (MPSPC)**  
**Extension Unit/ Graduate School MBA/**  
**Department of Accountancy**  
**and**  
**Mountain Province Cooperative Union (MPCU)**

# **WELCOME !!!**

## **SEMINAR-WORKSHOP ON AUDIT MANAGEMENT**



**July 24-26, 2015**  
EDNP Hall, Poblacion, Bontoc,  
Mountain Province

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This serves as invitation





**MOUNTAIN PROVINCE COOPERATIVE UNION (MPCU)**

2nd Floor, ASCCO Building, Foyayeng, Bontoc, Mountain Province

CDA Registration No. 9520-15003165/ CIN-02061 50001

*Awards this*

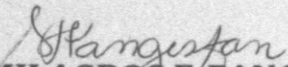
*Certificate of Appreciation*


*to*

*Rodeline D. Vilog*

For her invaluable contribution as Resource Speaker on **"Seminar- Workshop on Audit Management"**  
conducted on July 24-25, 2015 at EDNP Hall, Poblacion, Bontoc, Mountain Province.

Given this 25th day of July, 2015 at , EDNP Hall, Poblacion, Bontoc, Mountain Province.

  
**MILAGROS F. PANGESFAN**  
MPCU Executive Officer

  
**SAMSON BATNAG**  
MPCU Chairman





**Department of Accountancy**  
**Summary of Extension Seminar-Workshop Evaluation**

**"Seminar Workshop on Audit Management"**

**Collaborating Agency:** MPCU

**Venue:** Poblacion Bontoc, Mountain Province

**Date:** July 24-26, 2015

**A. ACTIVITY EVALUATION:**

**Evaluation Ratings:** 1 - Poor; 2 - Fair; 3 - Satisfactory; 4 - Very Satisfactory; 5 - Excellent

1. Objectives and Relevance	1	2	3	4	5	Mean
a. Clarity and Relevance			6	9	2	3.76
b. Attainment of the activity objectives			11	8		3.42
c. Usefulness of the activity/topics to the participants			6	11	2	3.79
d. Timeliness and immediate applicability		1	5	11	1	3.67
<b>Average Mean</b>						<b>3.66</b>

**Interpretation:**

The participants generally rate the objective and relevance of the activity basing on the evaluation ratings **Very Satisfactory** with an average mean of 3.66.

2. Organizational and preparation	1	2	3	4	5	Mean
a. Planning and implementing activity			7	11	2	3.75
b. Preparation and organizations of the activities		1	4	12	2	3.79
c. Ventilation, lighting, equipment and facilities in the venue			6	12	1	3.74
d. Appropriateness of the venue of the activity		1	4	14		3.68
e. Time allotment per activity/topic		3	4	12		3.47
<b>Average Mean</b>						<b>3.69</b>

**Interpretation:**

The participants generally rate the Organization and preaparation of the activity basing on the evaluation ratings **Very Satisfactory** with an average mean of 3.69.

3. Speakers/Facilitators	1	2	3	4	5	Mean
a. Mastery of the subject matter/content			2	13	3	4.06
b. Use of effective means of communicating ideas		1	3	11	3	3.89
c. Keeness and interest in the conduct of training			4	13	1	3.83
d. stimulation of the participant's interest		1	8	8	1	3.50
<b>Average Mean</b>						<b>3.82</b>

**Interpretation:**

The participants generally rate the Speakers / Facilitators of the activity basing on the evaluation ratings **Very Satisfactory** with an average mean of 3.82.

4. Involvement of the participants	1	2	3	4	5	Mean
a. Enthusiasm and interest shown		1	6	10	1	3.61
b. Level of involvement of participants		1	9	9		3.42
<b>Average Mean</b>						<b>3.52</b>

**Interpretation:**

The participants generally rate the Involvement of the participants in the activity basing on the evaluation ratings **Very Satisfactory** with an average mean of 3.52.

5. Overall Evaluation	1	2	3	4	5	Mean
			6	10		3.63

**Interpretation:**

The overall evaluation of the participants in the activity basing on the evaluation ratings is **Very Satisfactory** with an average mean of 3.63.

**Things liked in the Resource Speaker:**

- Knowledgeable and smart
- Good Public speaker
- Clarity of explanation with nice diction modulated voice
- Clear and loud voice
- Well explained
- She is very good in lecturing. She can teach us by sharing her experience. She is knowledgeable and enjoyable
- Gave example in reality base in experience in order for us to do our work and give our best shot as an audit comm.

**Things not liked in the Resource Speaker:**

- Very fast in explaining

**Other Remarks:**

- Please have samples presented on computed samples to facilitate explanation
- Hope can be a resource speaker in o seminar at our place

**3. Ms. Jenifer N. Damayan**

Evaluation Ratings: 1 - Poor; 2 - Fair; 3 - Satisfactory; 4 - Very Satisfactory; 5 - Excellent

Particulars	1	2	3	4	5	Mean
1. Clarity of topic objectives at the beginning		1	5	15	4	3.88
2. Organization/sequencing of topics		1	4	16	4	3.92
3. Clarity of topic/ideas presented/discussed			3	19	3	4.00
4. Effectiveness of methodologies/style of teaching		1	7	15	2	3.72
5. Quality and effectiveness of instructional materials		1	5	14	4	3.88
6. Ability to teach/ communicate ideas		1	5	14	4	3.88
7. Ability to answer questions		1	6	15	2	3.75
8. Ability to arouse/sustain interest			12	10	1	3.52
9. Ability to manage time	1		5	15	3	3.91
10. How the topic was ended		1	6	12	5	3.88
						3.83

**Interpretation:**

The participants generally rate the resource speaker basing on the evaluation ratings **Very Satisfactory** with an average mean of 3.83.

**Things liked in the Resource Speaker:**

- Clear voice
- Explained her topic very clear
- Well verse and smiling
- Very professional
- Explain in a more understanding way and gives examples
- Knowledgeable and professional
- Clarity and organization
- She shared to us the things she knows about audit. The things that must to be done and the things not to be done
- She gave real examples of the situation happen in the coop in which we are aware that the audit comm and BOD must be knowledgeable enough for the coop to succeed and not bankruptcy

**Things not liked in the Resource Speaker:**

- She has a tendency to talk fast
- Lacks skills to involve more participation of learning

**Other Remarks:**

- Medyo bitin, very fast delivery
- Topics are well presented

6. Comments/Suggestions for the improvement of the succeeding activity/seminar/program:

The following are the comments and suggestions of the participants:

- Very clear and good
- Workshop methodology

7. Suggested trainings for future activities:

The participants suggested the following trainings:

- Financial Management
- Bookkeeping / Review on Bookkeeping
- Basic Accounting for Non-Accountants

B. **RESOURCE PERSON EVALUATION:**

1. **Mr. Terrence F. Fangasan**

Evaluation Ratings: 1 - Poor; 2 - Fair; 3 - Satisfactory; 4 - Very Satisfactory ; 5 - Excellent

Particulars	1	2	3	4	5	Mean
1. Clarity of topic objectives at the beginning			2	10	1	3.92
2. Organization/sequencing of topics			3	9	1	3.85
3. Clarity of topic/ideas presented/discussed			2	10	1	3.92
4. Effectiveness of methodologies/style of teaching			4	7	2	3.85
5. Quality and effectiveness of instructional materials			3	8	2	3.92
6. Ability to teach/ communicate ideas				8	5	4.38
7. Ability to answer questions			1	8	4	4.23
8. Ability to arouse/sustain interest			4	7	2	3.85
9. Ability to manage time			3	7	3	4.00
10. How the topic was ended			1	11	1	4.00
						<b>3.99</b>

**Interpretation:**

The participants generally rate the resource speaker basing on the evaluation ratings

**Very Satisfactory** with an average mean of **3.99**.

**Things liked in the Resource Speaker:**

- Understanding
- Knowledgeable about the topic, giving examples/scenario if the audit comm. Not work effectively.
- Clear and loud voice
- He is very knowledgeable about the topic we discussed

**Other Remarks:**

- Hope be able to attend if invited to become a resource speaker in our place.

2. **Ms. Rachel F. Fagyan**

Evaluation Ratings: 1 - Poor; 2 - Fair; 3 - Satisfactory; 4 - Very Satisfactory ; 5 - Excellent

Particulars	1	2	3	4	5	Mean
1. Clarity of topic objectives at the beginning				17	6	4.26
2. Organization/sequencing of topics			1	17	5	4.17
3. Clarity of topic/ideas presented/discussed			1	15	7	4.26
4. Effectiveness of methodologies/style of teaching			2	16	5	4.13
5. Quality and effectiveness of instructional materials			2	17	4	4.09
6. Ability to teach/ communicate ideas			1	14	8	4.30
7. Ability to answer questions			1	16	6	4.22
8. Ability to arouse/sustain interest			2	15	6	4.17
9. Ability to manage time			1	17	5	4.17
10. How the topic was ended			2	16	5	4.13
						<b>4.19</b>

**Interpretation:**

The participants generally rate the resource speaker basing on the evaluation ratings

**Very Satisfactory** with an average mean of **4.19**.



4. Ms. Rodeline D. Vilog

Evaluation Ratings: 1 - Poor; 2 - Fair; 3 - Satisfactory; 4 - Very Satisfactory; 5 - Excellent

Particulars	1	2	3	4	5	Mean
1. Clarity of topic objectives at the beginning			6	14	2	3.82
2. Organization/sequencing of topics			6	14	2	3.82
3. Clarity of topic/ideas presented/discussed		1	6	11	4	3.82
4. Effectiveness of methodologies/style of teaching		2	5	11	4	3.77
5. Quality and effectiveness of instructional materials			7	11	4	3.86
6. Ability to teach/ communicate ideas		1	5	12	4	3.86
7. Ability to answer questions		1	7	9	4	3.76
8. Ability to arouse/sustain interest		1	7	11	3	3.73
9. Ability to manage time		3	4	11	3	3.67
10. How the topic was ended		1	6	12	3	3.77
						3.79

**Interpretation:**

The participants generally rate the resource speaker basing on the evaluation ratings **Very Satisfactory** with an average mean of 3.79.

**Things liked in the Resource Speaker:**

- Malakas ang boses and language
- Loud and clear voice
- Initiates questions
- She is good in discussing the topic, not boring that's why as a participants I learned a lot from her that I will apply to my work as an audit comm.
- Explains the topic thoroughly
- Knowledgeable and professional
- Maganda ang pagturo niya with arousing style

**Things not liked in the Resource Speaker:**

- Facilitation too fast like teaching college students

**Other Remarks:**

- Lack of auditing form examples
- Samples maybe given for application reference

Prepared by:



**RACHEL F. FAGYAN, CPA**

Extension Department Coordinator

Noted by:



**TERRENCE LEIF F. FANGASAN, CPA, MBA**

Chairperson- Department of Accountancy

# MEMORANDUM OF AGREEMENT

## KNOW ALL MEN BY THESE PRESENTS:

This **MEMORANDUM OF AGREEMENT**, made and entered into by and between the **MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE**, a public tertiary educational institution, existing under the laws of the Republic of the Philippines with principal office address at Bontoc, Mountain Province, represented by its President, **REXTON F. CHAKAS, Ph.D.**, hereinafter referred to as the **FIRST PARTY**;

and

The **MOUNTAIN PROVINCE COOPERATIVE UNION**, a non-government organization existing under the laws of the Republic of the Philippines, with office address at Foyayeng, Bontoc, Mountain Province, represented by its Chairperson **SAMSON L. BATNAG**, hereinafter referred to as the **SECOND PARTY**;

**WHEREAS**, the **FIRST PARTY** is ardently committed to bring its services and expertise to the different communities and schools, government and non-government organizations in the Mountain Province as well as in other places that will lead them all towards growth, progress and self-reliance.


**WHEREAS**, the **FIRST PARTY**, in pursuit of its mission of spurring community, schools and organizations' growth and development is extending its services and programs through its research and extension services;

**WHEREAS**, the **FIRST PARTY** through its extension services, programs and projects, is engaged in providing trainings and relevant activities along the following area in response to the demands and needs of the community, schools and organizations.

- A. Continuing Education and Information and Communication on Good Governance and Social and Human Resource Development:
  - 1. Cooperative Enhancement Education
    - a. Financial Management
    - b. Audit Management
    - c. Internal Control
    - d. Cooperative Standards
  - 2. Community Development Through Competency Enhancement of Local Government Units
    - a. Bookkeeping
    - b. Tax Compliance:

**WHEREAS**, the **FIRST PARTY** may also introduce viable extension program and projects related to the above training and seminars to be piloted in the community;

**WHEREAS**, to succeed in the delivery of its services and programs to the community, the MPSPC needs partners or collaborators;



**WHEREAS**, the **FIRST PARTY** and the **SECOND PARTY** both adhere to the significance of partnerships to the full, successful and legal conduct of extension activities and programs;

NOW, therefore, the **MPSPC** and the **MPCU** have agreed on the following:

**BOTH PARTIES shall:**

1. Disseminate information about the E-HELPING extension services programs;
2. Seek to identify a common working ground whereby sharing of resources and other collaborative means in order to advance their programs for improving the schools and the organization's professional growth and development and work efficiency through infusion of countless technologies and enhancement skills training, seminar and workshops;
3. Coordinate with each other as to the date and venue of the trainings, seminars and workshops;
4. Issue training certificates to participants and certificates of appreciation/recognition to trainers/resource persons duly signed by heads of both parties; and
5. Share responsibility on the funding of the identified needed activities and trainings and recommend measures for the improvement of the joint venture.

**THE FIRST PARTY shall:**

1. Conduct baseline surveys and needs analysis as basis in crafting activities and interventions to the clientele;
2. Prepare activity designs and conduct trainings, seminars or workshops based on identified problems and needs of the clientele and as requested by the clientele;
3. Responsible for the travelling expenses of Resource Speakers and drivers from the College who are involved in the project or activity;
4. Provide supplies and materials needed during seminars/trainings and workshops where they are involved in;
5. Conduct impact assessment studies on the training services provided by both parties
6. May accredit the training/seminar under the National Competency Program; and
7. Link with other national agencies and other potential partners who can assist on the pursuit of school and community development.

**THE SECOND PARTY shall:**

1. Assist in the dissemination of the E-HELPING PROJECT and the EXTENSION PROGRAM of the FIRST PARTY to other stakeholders;
2. Assist in the determination of trainings needs of the clientele;
3. Assist in the monitoring and evaluation of the trainings, seminars and workshops conducted;
4. Provide training venue and other facilities; and
5. Provide for snacks and meals for the participants during the trainings/seminars/workshops.

**TERM and TERMINATION**

1. Effective Date: This agreement shall take effect from the date the agreement is signed.
2. Termination: Either party may terminate this agreement provided that the objectives of the extension program were met and a written notice of termination is delivered to the other party.
3. Governing Law: The validity, construction and interpretation of this Agreement and the rights and duties of both parties shall be governed by existing laws of the Republic of the Philippines.



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