

Co-operative Accounting and Audit

Toolkit



How small scale Co-operatives
can account and audit their
performance and report to
stakeholders.

Freer Spreckley

Co-operative Accounting and Audit Toolkit

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Preface

This Toolkit describes a basic Co-operative Accounting and Audit method which has been designed to assist small scale rural and urban co-operatives and community enterprises to show how they as an organisation are meeting the triple bottom line, of Commercial Viability, Social Wealth Creation and Community and Environmental Responsibility. In doing so, co-operatives can also improve management functions and engage better with their members and other stakeholders.

The Co-operative Accounting and Audit method suggested in this Toolkit uses a poster as the main way of communicating with members and customers on a day to day basis. The plans for the co-operative are written on the poster and then each quarter the actual progress and comparison is recorded; and at the end of a year the planned and actual results can be compared.

The reason for using a poster is to open up a co-operative's information to members and to invite them to participate by contributing their comments and getting involved. In many small co-operatives having a well-designed and prominently displayed Co-operative Accounting and Audit poster will enable members to find out how their co-operative is performing and will allow them to come to meetings with some information and understanding that they otherwise wouldn't have.

The Co-operative Accounting and Audit poster originated from some work the author undertook in Vanuatu, South Pacific, for the Ministry of Trade and Tourism's National Registrar of Co-operatives, funded by the European Commission.

This Toolkit is designed to be used by small scale co-operatives and organisations that support co-operatives in any country in the world. In every country there is usually a government supported body responsible for registering trading organisations. In some countries there will be a National Registrar of Co-operatives responsible for the registration and oversight of co-operatives; in other countries co-operative will be registered as a foundation or as a business. The registration body will usually have some responsibility to oversee annual planning and evaluation. In this Toolkit we use the term 'National Registrar of Co-operatives' to denote a country's national registering body.

1. Introduction

This Co-op Accounting and Audit Toolkit provides a simple method for identifying, collecting, recording, analysing and reporting on performance for small scale co-operatives.

Co-operatives are owned and controlled by their members and members are individuals, families and other co-operatives who trade with the co-operative. Members receive dividends from the net profit and have a vote in general meetings about any issues that are raised.

The impact co-operatives have on their local communities and local economy is far greater than that of private business. Because the members receive the bulk of net profits it is much more widely distributed than the profits from a private business that are just distributed to a few people and often not spent locally. The multiplier effect of profits being distributed by co-operatives to local members/residents means that the impact a co-operative has is felt more acutely than a private business that is why co-operatives should measure and account for their impact more rigorously.

The Co-op Accounting and Audit has been designed as a 'light touch' approach to what can sometimes be a complex and complicated process for members of small scale co-operatives and provides a way of engaging members more fully in the affairs of the co-operative.

All co-operatives should have a Co-operative Business Plan describing what the co-operative does, how it is managed and what the plans are for the future. Co-op Accounting and Audit will measure against this plan. For further information on how to develop your business plan please see our Co-operative Management and Planning Toolkit¹ or see your local National Registrar of Co-operatives in the country for advice they should also be able to assist you with developing the plan.

The Co-op Accounting and Audit method uses a poster on which all the information is displayed and where progress is written up as it happens. This enables members to write in their thoughts, comments and ideas about the co-operative and how it might be improved. The Co-op Accounting and Audit poster is a tool to use in creating good governance - openness is a key operational principle for good governance.

The poster is a way of starting to gather data on a regular and systematic basis, which can be extended over time. Most of the data is already known and most is already collected, however it is often recorded in different forms and can be difficult to bring it all together. The poster is designed to be a single record of the relevant information to help the management and members of co-operatives understand what the plans are for the year and how the co-operative is performing in relation to the plans.

¹ Please go to <http://www.locallivelelihoods.com> and then press Publications and scroll down until you reach Co-operative Management and Planning Toolkit and press free download.

Triple Bottom Line

The triple bottom line is described using different terminology by different business sectors and agencies; however there are three core elements in common. Social Audit uses the heading commercial, social, and environmental; the UN uses profit, people, and planet; and in this Toolkit the headings of Strong Co-operatives, Strong People, and Strong Communities are used. These headings fundamentally underpin the same inclusive approach, where the interdependence of the parts combine in creating a more responsible and sustainable system of organisational performance and measurement.

Co-operatives need to be able to plan and manage these three key parts of a good organisation. Commercial functions need to be profitable but also of good and honest quality; social wealth needs to be developed through common ownership and the members and employees participating in the co-operative, and the opportunities the co-operative provides; and, community and environmental responsibility should be a result of the way the co-operative looks to mitigate their environmental cost to society in the way they operate their processes, package and transport goods, and produce and use energy, and in the effects on the community as a result of the co-operatives' actions.

Co-operative Accounting and Audit is designed to bring together the three dimensions of performance, the triple bottom line, that combine to form best operational practice and good governance: financial, social and environmental, and which provide the foundation for self-assessment. For a fuller description of the triple bottom line please go to Annex 1.

Finance

Private sector businesses report to their shareholders on their financial performance. Co-operatives report to their members on their financial performance but also need to report on the achievement of social and environmental plans.

Shareholders are often removed from the businesses and are unaffected by operational performance, while members of co-operatives are intimately associated with the operations of their co-operatives and as local residents are affected by their impact.

It is suggested that the Co-op Accounting and Audit is used at the same time as the financial audit; providing a full picture of performance. The financial audit provides information relevant for shareholders, while social accounting and audit provides information relevant for society.

1.2 The way Co-operatives are structured

Co-operatives are legally registered bodies, in many countries there is a Co-operative Act governed by the National Registrar of Co-operatives, or similar, or they are under the guidance of the government's business registration body.

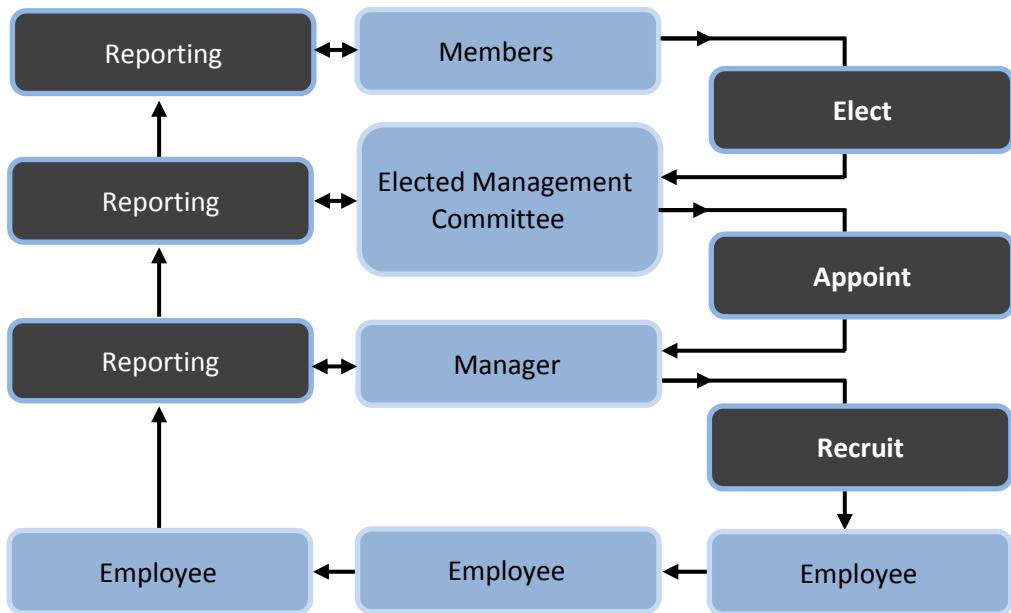
- Co-operatives are commercial trading organisations; they have limited liability which means that the co-operative, and not the individual members, is liable for any debt.
- Co-operatives differ from private business in who the shareholder is, the amount of votes each shareholder has and how profits are distributed.
- Shareholders in co-operatives are individuals or other registered co-operatives; they are trading partners, either as an individual or as another registered co-operative. They are called members, who own and control the co-operative.
- Each member has one share that carries one vote in any decision making.
- Voting is based on one member one vote - regardless of the amount of share value held.
- Members invest in the co-operative by purchasing a share, the amount invested and the interest paid will be decided by each co-operative.
- Net profits are distributed according to the rules, most co-operatives retain about 25% to 35% that is paid into a reserve fund and the remainder is distributed as dividends to members in proportion to the amount of trade each member has transacted with the co-operative in the year the profit was made and for social and environmental purposes.
- There is a definition of a primary co-operative and a secondary co-operative:
 - The members of a primary co-operative are individual traders and customers
 - The members of a secondary co-operative are primary co-operatives
- One sort of co-operative is the Savings and Loans Co-operative. This co-operative trades in money; it receives savings from members and lends funds to members against the amount saved. Eligibility for membership is based on living or working in a defined geographical area - individuals and other co-operatives can be members of a Savings and Loans Co-operative Society.
- When a Co-operative registers itself it does so using a model set of Rules (By-Laws) to which it adds the details of who can be members; the main social and commercial objectives; and the commercial activities it will undertake.

How Co-operatives are managed

Management structures vary depending on the size of the co-operative: below is a generic diagram for a small to medium sized co-operative using an organisational structure that can be found across Europe, Africa, Asia, the South Pacific and the Caribbean; and to a lesser extent the Americas. In many countries enterprise size is defined as:

- Micro: 0 to 5 employees
- Small: 6 to 10 employees
- Medium: 11 to 50 employees
- Large: 51+ employees

General structure of a co-operative:



Members

- Members are defined in the Co-operative Rules: they are usually traders and customers who they sell goods to, and buy from, the co-operative.
- Sometimes members are defined as community citizens, employees and anyone else the co-operative wishes to be members.
- Membership is voluntary: no one has to be a member.
- Members elect, from the membership, individuals who wish to be Management Committee members.

The Management Committee

- Any member can be elected onto the Management Committee.
- Election is for a two year period after which they have to stand down; but they can stand for re-election for the next period.
- It is suggested that the Management Committee should meet, at least, every two months and is responsible for the overall management of the co-operative, strategic planning, investment decisions, governance and managing the manager.

The Manager

- The manager is recruited and supervised by the Management Committee and reports to that body for his/her actions.
- The manager manages the day to day operations of the co-operative and is responsible for financial accounting and all work carried out by the employees.
- The manager can be a member of the co-operative.

The Employees

- Employees are recruited by the manager and are supervised by him/her in their work.
- Employees can be members of the co-operative.

2. What is Co-operative Accounting and Audit

Co-op Accounting and Audit is a tool for tracking and improving performance; for reporting to members and for justifying the use of investment. The driving principle is one of openness and good governance.

Undertaking a Co-op Accounting and Audit should be a learning experience. Measuring the performance of a co-operative enables those involved to learn from the relationship between the plan and the actual: what was the intention and what actually happened? Comparing the actuals with the plans enables management to understand what has happened and how it can be improved.

Therefore it is essential that the process of measuring performance starts with plans against which the co-operative can compare, understand, and learn from, results. Measuring performance without plans means that you are unable to compare: you will know the figure, but you don't know if it's a good or bad figure.²

The process of planning, accounting and auditing should be an on-going cycle of learning from experience and using that learning as the starting point for the next planning stage.

The operational principles for Co-op Accounting and Audit are:

- Independence:** the Co-op Accounting and Audit should be objective and have an external person involved in the final annual evaluation
- Credibility:** the results should be trusted and believed
- Usefulness:** the process and results should be of benefit to management and members, and provide evidence for decision making

When the three quality elements are evident then co-operatives can use the findings to improve performance, members can see what has happened with their assets and all those involved can learn from the experience and take the learning forward to new initiatives.

2.1 Plan for the Results you want to achieve

Results are the changes which occur as an effect of an action. We use the word 'results' to distinguish between what a co-operative plans and delivers, and what happens as a result of that delivery.

² Please go to <http://www.loCALLihoods.com> and then click on Publications and scroll down until you reach Co-operative Management and Planning Toolkit and press free download.

The benefit of using the ‘planned and actual’ method is that co-operatives are able to link final results with the initial investment and planned actions. Analysis of this results chain will show what worked well and what needs improving and provide valuable lessons learned for future planning and implementation. The planned and actual approach will also enable the manager to identify where and when a problem arose and help them find solutions. For example; a co-operative has a plan to diversify its product range and it puts the necessary expenditure and actions to implement the plan in place. The product range is successfully diversified; however, what it really wants to measure is if their expenditure and actions have achieved the required result. The result, in this example, would be to increase sales, increase turnover and finally to increase profits. Therefore the result it is planning for is ‘increased profits’ and that is what should be measured.

It is best to plan over a number of years in a strategic way. It usually takes more than one year to make investments work so plan for as long as it will take to achieve a result. Have a clear end statement of what will be achieved and then for each of the years put in the key targets that are expected to be reached. Then, for the first year put in a more detailed plan with quarterly targets. The example below shows how you set out a three year plan with one year quarter targets which can be used to measure performance during that period.



It is good practice to plan for the end result and then work backwards to lay out the necessary actions, these should include indicators, at certain times, to provide the targets against which actual progress and performance can be measured.

Some plans and actions will be to deliver or do something; but some plans will be to achieve benefit for a target group of people.

For example, if co-operative members think that some children in their community are not doing enough sport they may decide to provide some sports equipment. These are the delivery actions, but the result is achieved when the children are spending more time playing sport. When planning it is important to be clear about what the result should be. Is it a set of delivery actions with targets, or is it result of the set of delivery actions when a benefit is expected to have been achieved?

2.2 The Key Concepts of Co-operative Accounting and Audit

The terms ‘Accounting and Audit’ are used in a business context in the way that the terms ‘Monitoring and Evaluation’ are used in a project and programme context.

Co-operative Accounting is to Monitor and Manage Performance

Co-operatives are managed and kept on track by accounting for the results achieved against the plans: accounting is an internal management responsibility and should be undertaken by the manager and members of the Management Committee.

- Accounting is not a check to keep external bodies happy but a mechanism to help managers achieve plans on schedule or change them to match changing realities.
- Accounting enables progress in relation to the plans to be measured.
- Accounting involves the collection, recording, analysis, communication and use of information about the co-operative’s on-going progress.
- The results of accounting are used to report progress to members and are a key source of data for audits; for the purpose of management decision making.

Co-operative Audit is to Understand Actual Results

The Audit is when the assessment of the co-operative’s results is undertaken and any lessons learnt are identified and disseminated widely. An Audit may be undertaken by a sub-committee of the Co-operative’s Management Committee including an ordinary member, and include the person undertaking the financial audit.

- The Co-operative Audit should be undertaken at the end of the financial year; at the same time as the audit of the financial records.
- The Audit should be clearly focused on trying to understand how the co-operative operated and how successful it was in achieving its stated plans.
- The Audit will help the co-operative learn lessons, both positive (what worked well and why) and negative (what went wrong and why).
- The conclusions, recommendations and lessons learnt should be presented to members.
- The information from one year’s Audit of progress will form the beginning of the next year’s plans.

3. The Co-operative Accounting and Audit Poster

The Co-op Accounting and Audit method uses three categories for identifying and recording data: Strong Co-operatives; Strong People; and Strong Communities. These bring together the financial, social and environmental objectives to form a way of assessing the achievement of the triple bottom line.

- **Strong Co-operatives** (Commercial) is where data is collected on the commercial plans, targets and financial results for the period; and ratio analysis for the financial comparisons.
- **Strong People** (Social) is where data is collected on the members and employees and their capacity building.
- **Strong Communities** (Environment) is where planned and actual data is collected on community and environmental categories, and also has a SWOT analysis.

The Co-op Accounting and Audit poster, see below, uses the three dimensions of the triple bottom to group the information collected into three panels.

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The Co-op Accounting and Audit poster is designed to be on display, open and interactive; it should be placed on the wall in the co-operative in a place that is open to members and customers for the whole year. It will create visibility of how the co-operative is managed, what amounts of money there is currently available, what plans are in place and how these are being implemented. This

transparency will enhance governance as it will provide insight into the process of management and decision making.

Alternatively, if a co-operative and its members have the means the poster information can be displayed on an interactive monitor either physically attached to a wall like a poster or using online computing so members can view and be interactive with the poster from their own computers or smartphones.

This chapter goes through each of the three panels in turn; the information that is collected in the poster, where it is obtained and how it is recorded is explained. Where necessary a short explanation of what the information tells us about the individual co-operative is included as part of the text and also included in the final chapter; 4 Analysis of Information and Reporting of Results.

The poster should be printed on a large sheet of strong paper; large enough to be easily filled in by hand. Although each poster will be used for one year (each year the co-operative will need to replace the completed poster with a new one) at the beginning of each year the results from the previous year(s) should be copied to the next year's poster. The information in the poster is designed to cover up to three years in order to show how, over time, the co-operative has performed. In the first instance the information for the two previous years will come from existing records.

It is recommended that the recording and analysis of the information for the Co-op Accounting and Audit poster should be managed by an appointed team of members and the employed manager. The team should comprise of two to five people, depending on the size of the co-operative, and include at least one member of the Management Committee and other members. If it is possible to find an external individual or local government officer to be part of the team it can strengthen the independence of, and create more trust in, the results.

The Accounting and Audit team should aim to meet, at least, four times a year to translate the business and social plans of the co-operative into quarterly targets, review and assess progress, analyse the results, and record the information on the poster.

The Co-op Accounting and Audit poster will serve to be the main communication channel between the Management Committee and the membership. The plans, once agreed by the Management Committee at the beginning of each year, will be written in the appropriate boxes in the poster along with quarterly targets, at the end of each quarter the actual results will be written in the poster, and then the final annual results will be written in at the end of the year.

3.1 Strong Co-operatives - Commercial Viability

The Strong Co-operative panel is where financial information is recorded. It focuses on the planning and financial strength of the co-operative and provides some indication of past performance. In the

Strong Co-operatives panel there are two sections, the first one, Finance and Trade, is for all co-operatives and the second one is an additional section for use only by Savings and Loans Co-operatives. Some trading co-operatives may also run a Savings and Loans facility. Non Savings and Loans co-operatives should just leave this section blank or it should not be included in the poster when printed.

The **Finance and Trade** section includes information on commercial planning, financial performance and dividends paid to members. For each of the numbered sections a short explanation is provided. All figures described in the poster use the \$ dollar sign, these should be changed to the local currency sign when printed and used.

Strong Co-operatives – Commercial Viability

Finance and Trade				
Assets: Year .....\$.....Year .....\$.....this year.....\$.....% for 2 years+ or -				
Commercial Plans Yr.....	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				
Financial Performance Ratios:	Year	Year	Year	This year
Annual Turnover:				
Net Profit/Loss:				
Liquidity Ratio:				
Current Assets/Current Liabilities				
Current Assets- stock /Current Liabilities				
Profitability Ratios:				
Gross Profit Margin				
Net Profit Margin				
Solvency Ratios:				
Total Debt/Total Assets				
Financial Audit completed for last year Yes.....No.....and due this year.....				
Profit Distribution	Year	Year	Year	This year
No of members receiving dividends				
Average dividend received by members	\$	%	\$	%
Amount paid to the Reserve Fund	\$	%	\$	%
Interest paid to shareholders	\$	%	\$	%
Amount paid for social donations	\$	%	\$	%
Totals	\$	%	\$	%

1

2

3

4

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1. Assets (of the Co-operative)

First write in the actual year for each of the three years. The total asset amount provides an indication of the value of the co-operative in the year it was prepared. The asset value for each year will be stated in the financial audited accounts and for each of the two previous years should be copied to this section to provide the reader with an understanding of the size of the co-operative in financial terms. The percentage of change between the two previous years will show if the asset value is increasing (a good result) or decreasing (a bad result) over the period and should be written in the final line.

2. Commercial Plans

The commercial plans will be stated in the Co-operative Business Plan. There can be as many commercial plans as you have planned for each year. Try to identify a number of targets (a target is a point in a process when something can be measured) this will help monitor and understand how the plans are progressing. The co-operative should update its Co-operative Business Plan annually at the same time as the poster is set up for the coming year.

In the poster annual plans are broken down into quarterly targets; if however, targets are less frequent just record them as appropriate; it is not essential that each quarter has a stated target.

The Accounting and Audit team should ensure that for each target the actual progress against the plan is recorded. This will enable the manager to understand what is happening and communicate the information to the Management Committee. It should also show where the manager may have to take some remedial action to make sure the plan is being implemented on schedule.

3. Financial Performance Ratios

Looking at a profit and loss account and a balance sheet can give you a clear idea of the health of a co-operative. Calculating a few basic financial ratios can help to assess quickly how well a co-operative is doing and provide early warning of potential financial problems.

A ratio is simply a relationship between two numbers; it makes visible the invisible. Ratio analysis is a useful management tool that will improve the co-operative's understanding of its financial position and trends over time, and provide key indicators of co-operative performance. Ratio analysis can help to pinpoint strengths and weaknesses which management can use to form strategies and plan initiatives. A National Registrar of Co-operatives may use ratio analysis to measure one co-operative's results against other co-operative's results.

Basic ratios are used to inform on the following:

Liquidity: is there a sufficient finance to cover working capital to pay bills?

Profitability: is the co-operative a good investment?

Solvency: is the co-operative strong enough to withstand difficult trading conditions?

If the information is available it can be possible to compare your co-operative's ratios with the same ratios for other co-operatives operating in a similar environment to you - giving an idea of your relative performance. (Ratios may be published by the National Registrar of Co-operatives for co-operative sectors which can be used as a benchmark figure against which individual co-operatives can compare and measure their performance.)

Ratios are also very good for comparing trends over a number of years, to see what patterns of performance emerge. This can also mean that the full benefit of using ratio analysis will not be seen for about three years, but thereafter a co-operative will always be able to know its performance from one year to the next.

The financial information needed to undertake ratio analysis will be in the financial audited accounts. This means of course that ratios are historical and should be used to inform a co-operative about past performance and help them make decisions for future performance.

Below is a description of each ratio and the information it provides:

3.1 Liquidity Ratios

Liquidity ratios tell us if a co-operative can pay its bills. There are two ratios to test the liquidity of the co-operative: current ratio and quick ratio. The current assets of your co-operative are its cash or assets such as stock, work in progress, or debts that can be turned into cash. Current liabilities are your immediate trade creditors and your bank overdraft. You should always have sufficient current assets to meet current liability obligations.

Current ratio

The current ratio simply shows the relationship of current assets to current liabilities. In particular, it shows the ability of your co-operative to meet short-term debts with current assets.

$$\text{Liquidity} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

This ratio should normally be between 1.5 and 2. A ratio of less than 1 (that is, where the current liabilities exceed the current assets) could mean that you are unable to meet debts as they fall due, in which case you are insolvent. On the other hand a high current ratio of 2.5 to 5 could indicate that too much money is tied up in current assets, for example, giving customers too much credit.

Quick ratio

A stricter test of liquidity is the quick ratio or 'acid test'. This ratio measures the co-operative's ability to meet short-term liabilities from liquid assets such as cash. Some current assets, such as work in progress and stock, may be difficult to turn quickly into cash. Also, if debtors are slow or very slow in paying their bills you should consider deducting these amounts from the current assets as well. Deducting these from the current assets gives the quick assets.

$$\text{Liquidity} = \frac{\text{Current Assets} - \text{stock}}{\text{Current Liabilities}}$$

The quick ratio should normally be around 0.7-1. To be absolutely safe, the quick ratio should be at least 1. which indicates that quick assets exceed current liabilities. If the current ratio is rising and the quick ratio is static, there is almost certainly a stockholding problem – you may have too much stock.

3.2 Profitability ratios

Profitability ratios tell us how good management is as using resources. There are a number of simple profitability indicators that you can use; the gross profit margin is the figure to watch most closely – it is a measure of how well resources have been managed and overall management efficiency. The larger the profit margins, the better for the co-operative.

Gross profit margin

The gross profit is the total income for the co-operative less the direct cost of sales. The gross profit needs to cover all of the fixed costs and, after they have been paid, contributes to the net profit. The gross profit margin is simply the gross profit expressed as a percentage of sales. This is a good figure to compare with other co-operatives in the same sector and in terms of trends over time in one co-operative.

$$\text{Gross profit margin} = \frac{\text{Gross Profit} \times 100\%}{\text{Sales}}$$

Net profit margin

The net profit of your co-operative is what is left after all your costs include business tax/license and interest payments. The net profit margin is the net profit expressed as a percentage of sales.

$$\text{Net profit margin} = \frac{\text{Net Profit} \times 100\%}{\text{Sales}}$$

Profitability ratios need to be compared over time, one year with the next, or in relation to sector specific percentages. Different sectors have very different ratios, but within a sector it should be possible to compare one co-operative's performance with another.

3.3 Solvency ratios

Solvency ratios tell us the overall financial health of the co-operative. If the net worth of your co-operative becomes negative - that is, the total liabilities exceed the total assets - you have become insolvent. In other words, if you closed, it would not be possible to repay all the people who are owed money. It is an offence to allow the co-operative to become insolvent, so watch the figures closely. Acceptable solvency ratios vary from sector to sector, however as a general rule, a solvency ratio higher than 20% is considered to be financially sound.

$$\text{Solvency} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

Hints and Tips

- The key purpose of ratios is to examine trends and identify problems. Ratios won't solve a problem but they might help to identify the factors behind a co-operative's financial problems.
- It is important to use the same ratios every year in order to build information on trends that will enable management to compare, over time, if the co-operative is improving or worsening.
- The smaller your co-operative, the more important it is to watch the cash flow, rather than relying on ratio analysis.
- Ratios depend upon accurate, consistent financial information, so keep your accounts up to date.

- The information for all these ratios is in the audited accounts and for the two previous years it should be recorded on the poster. At the end of the year the current figures can be recorded on the Co-op Accounting and Audit poster to complete the appraisal. All together these ratios provide you with the basic information on the financial health of the co-operative.

4. Audited Financial Accounts

On the poster put in the date your financial audit is planned for and tick Yes or No if last year's accounts were audited. Make sure you plan for your accounts to be audited well in advance and also make sure that when the time comes your entire financial book keeping and receipts, etc. are up to date and complete. Without audited accounts you will not be able to undertake the ratio analysis, nor will you be able to pay dividends to members.

5. Profit Distribution

After the accounts have been audited you will know the net profit for the year and how much money is available for the reserve fund, donations to community initiatives and to pay dividends to members. Dividends are of course paid in relation to the amount of trade transacted between the co-operative and a member and therefore each member will receive different amounts each year.

Write in the poster the number of members receiving dividends for the year and the average amount per member (total dividends divide by the number of members receiving the dividends for the year). Write in the poster the amount put aside for the reserve fund and donations for social, community or environmental initiatives the co-operative has made in the year. Then fill in a percentage for each of the three entries in the column next to the figures and total both the amounts of money and percentages to make sure the calculations are right.

This information will explain how the co-operative has distributed its net profit for the year.

3.1.1 Savings and Loans

The Savings and Loans section in the Strong Co-operatives panel is only to be used by Savings and Loans Co-operatives, otherwise leave it blank (or delete it).

The term for a membership based local savings and loans co-operative may also be called a credit union, or a microcredit co-op. Whichever term is used it means the same type of co-operative organisation.

Strong Co-operatives – Savings and Loans

Savings and Loans				
Opening Balance Members: Total Savings \$.....Total Loans \$.....				
Savings and Loans	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Members' total savings	\$	\$	\$	\$
Members' total loans	\$	\$	\$	\$
Loans/Savings	%	%	%	%
Categories of loan use:				
For business	No. of members:			
For domestic purchases	No. of members:			
School fees	No. of members:			
To buy assets	No. of members:			
To pay for commemorations	No. of members:			

1. Opening Balance of Members' Savings and Loans

At the beginning of the year write in the total of Members' savings in the first space and in the second space write in the total of Members' loans. These two figures will be carried forward from the close of the last financial year. The figures will be in the audited accounts or in the register of members' savings and loans.

2. Loan Categories

When entering the figure for the first quarter start with the opening balances and either add or subtract the quarters' figures to record the total savings and loans at that time. Continue filling in this information on a quarterly basis (every 3 months) as members will want to see what is going on. Total up the amount of savings all members have deposited at the end of each quarter and write it in the appropriate box, and then do the same for the total loans for each quarter. The process of recording savings and loans is continuous so that at every quarter members will know the total savings and loans their co-operative is receiving and lending.

Compare total savings with total loans as a ratio and write that figure in the third row. There must always be enough savings to cover the loan. As a minimum a ratio of \$100 as loan should be covered by \$200 as savings, a ratio of 1 to 2.

$$\text{Savings and Loans ratio} = \frac{\text{Savings}}{\text{Loans}}$$

3. Members Loan use

On making an application for a loan members have to fill in a short form explaining what they need the money for. This information is very useful both for the co-operative and for the National Registrar of Co-operatives in being able to analyse the 'use' in relation to how well members repay loans. It will also enable the National Registrar of Co-operatives to understand where investment is

needed in the future when supporting new savings and loans co-operatives. For each category of loan write in the total number of loans made to members by the co-operative. (It is suggested that this is accumulated for the first five years of using the poster and then an analysis should be done to see which categories of loans are repaid on time and which categories are either late or defaulted on. Then after this five year period start again with current loans only.) The headings used for the loan categories are only guidance you may find you need to change the description of the type of loans made by your co-operative.

3.1.2 Analysing the Commercial Viability of the Co-operative

The analysis of the information in the Strong Co-operatives panel will inform on the strength of financial management and accounting and the capability to keep the accounts on track and up to date. It will also inform on the commercial plans in place and the co-operative's planning and implementation strengths.

The financial ratios tell us about the health of the co-operative, if it can pay its bills, if it is allowing too much credit to customers, how profitable its operations are and how it compares with similar co-operatives operating in the same sector. The solvency ratio will provide risk data for the purposes of raising finance.

For savings and loans co-operatives the data will tell us how well the accounting and book keeping is, and if there are enough savings to cover loans. The categories of loan use will inform on how, in the future, funds can be allocated in relation to priorities of loan use. Additional data, from the records, on loan repayment in relation to category of loan will be very insightful when determining risk for future loans.

3.2 Strong People - Social Wealth

The Strong People panel holds information on members and employees and displays to show a three year period. Most of the information for this will come from the members' register, and other administrative records, about training and possibly advisory visits to the co-operative by the National Registrar of Co-operatives' staff. It also shows us how much support the co-operative provides for employees and members, and how interested the employees and members are in learning and training in skills.

Although the emphasis in the example panel is on training if co-operatives have other priorities in relation to supporting its members and customers then this information should be used and replace the training information.

Strong People – Social Wealth

People						
Members		Year		Year		This year
		
No. of members	m	w	m	w	m	w
Members who received dividends	No.	%	No.	%	No.	%
Total share value of members	\$		\$		\$	
Training for members						
No. of courses/events attended by members						
No. of members who attended courses/events						
Employees		.....	.....	.....	.....
No. of employees full time						
No. of employees part time						
No. of employees who attended courses/events						
Committee Members						
Total number of members who have served on the management committee	No	%	No	%	No	%
No. of Committee Meetings held						
No. of advisory visits	Last year	This year No. Planned/No. Actioned				
By National Co-op staff						
By other/NGO staff						

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1. Members

We want to know if the membership and share value is increasing or decreasing. From the members register, write in the total number of registered members for each year - divide members into men and women. Out of the total membership calculate and write down the number of members who received dividends in the year (the number of members trading with the co-operative). Then put in the percentage of that number in relation to total membership to track increase or decrease in member trading. Their share payments will also be recorded in the register, copy the total amount of share value for the year in the section.

2. Training for Members

Co-operatives should invest in paying for members to attend, or travel to, training courses as part of the co-operative principles of education and supporting members to improve their skills. In this section record the number of members attending relevant co-operative training and record the number of courses all members attended.

3. Employees

Write in the number of employees employed by the co-operative, you may need to specify if they are full or part-time. Also, record the number of training courses attended by employees that the co-operative sponsored.

4. Committee Members

One of the ways of strengthening people is for them to participate as a Management Committee member. For each year count the new committee members, those who have never served on the committee before, and add this number to the last year's total number. Then calculate the current percentage of the number of members who have served on the committee by the total membership. This will provide information on the level of participation by members in the management of the co-operative.

5. Number of Advisory Visits by the National Registrar of Co-operatives' Staff

Co-operatives are likely to receive support from the National Registrar of Co-operatives or a similar support organisation in the country. Write in the relevant box how many times a year the co-operative has received visits by the Registrar's staff, state whether they were from a local or national office. You can also write in if there are any plans for visits and if those visits took place as planned. This will provide information about the National Registrar of Co-operatives' role in supporting co-operatives to the relevant Ministry.

3.2.1 Analysing Social Wealth

The Strong People panel should provide information on the number of members and their share value, if it is increasing or decreasing; and should provide evidence of how the co-operative is supporting members and employees to improve their skills and confidence. If there is any cost to supporting training this should be recorded as an expense cost.

The number of visits by the National Registrar of Co-operatives indicates how supportive the government is in developing co-operatives.

In the Strong People panel some of the information gathered provides basic statistical data on what is happening, it will often not explain why. If co-operative wants to know why, for example, only a small number of members ever serve on committees further investigation will be necessary. Nonetheless the basic information from the poster will be important in establishing the initial findings on which further investigation will need to be conducted.

3.3 Strong Communities – Community and Environmental Responsibility

There are two sections in the Strong Communities panel; one is Planning and Actions for recording social and environmental plans and actions; and the second section is the SWOT for members and employees to write in any comments they have about how the co-operatives is performing.

Strong Communities – Community and Environmental Responsibility

Planning and Actions				
AGM – Planned for.....Action by.....				
Business Plan – Planned for.....Action by.....				
Social Plans:	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				
Environmental Plans	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				
Plans from SWOT:	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				

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1. Planned and Actual for the AGM and Business Plan

In this section write the date for the planned AGM and the date by which you intend to review the business plan. It is a reflection of good governance to plan these two important annual events well in advance to inform and invite ideas from members. Once they have been undertaken write in the date they were completed.

2. Social Plans

If the co-operative has developed plans for providing support for social purposes in the local community, or school, or for any other purpose, then write this in the plan and provide any targets that can be used to monitor progress. If the plan is to give money to a social project then write in the amount of money and when it is planned to be given and then write the date it actually was given. Furthermore, you might write in what the money will be spent on and how that expenditure can be accounted for.

3. Environmental Plans

Environmental plans can include things the co-operative does to reduce its negative impact on the environment or an initiative to improve the environment. Sometimes this can be the co-operative changing from, for example, diesel energy to solar energy or it could be a new initiative the co-operative is planning to do like recycle plastic bottles into other products for sale, or it may be that the co-operative donates money to an environmental project in the local community and the plan is about expenditure and witnessing the use of that money by the community in undertaking some environmental works.

The information about social and environmental plans should already be in the business plan: copy key statements from the business plan onto the poster. Under the Social and Environmental Plans fill in the plans and targets to show when things should happen and as they are completed write in the actual rows when that happened. Not only will this inform members of the plans but will also show if the plans are well laid out and if the co-operative carried out the actions as planned.

4. Plans from the SWOT

The Accounting and Audit team, and Management Committee and manager, will look at the comments and ideas written by members in the SWOT section on a regular basis, see next section. Some of these comments will be to do with the general operations of the co-operative, but some may also be about ideas that the co-operative could implement. If the Management Committee decides to implement some ideas immediately they should develop a small plan of action and write it down in this section on the poster. The process will be the same as used in the Social and Environmental plans.

3.3.1 SWOT Analysis

The final section in the Strong Communities panel is a SWOT analysis. This is for members to write in an opinion in answer to the question 'How is the Co-operative Performing?'

A SWOT Analysis is an exercise that will help identify the Strengths, Weaknesses, Opportunities and Threats in relation to 'How is the Co-operative Performing?' The Strengths and Weaknesses are internal influences and Opportunities and Threats are external influences on the co-operative.

Ask members to write, in one of the four areas, what they think about the co-operative. Make sure they feel able to be both positive and negative as this will help the Management Committee understand members' feelings and attitudes and will likely provide some good ideas on how to improve the performance of the co-operative.

Below is a description of how a SWOT works.

Strong Communities – Community and Environmental Responsibility Actions

SWOT: What Members' Think			
How is the Co-operative performing?			
1	Strengths:	Weaknesses:	2
3	Opportunities:	Threats:	4

Encourage members to participate in this exercise as it will provide valuable information for the Management Committee when preparing the co-operative business plan for the following year.

1. Strengths

Members should write comments about what they think are good or what is strong about the co-operative.

2. Weaknesses

Members should write comments about what they think are bad or what is weak about the co-operative.

3. Opportunities

Members should write comments about opportunities the co-operative can make use of or of ideas they have for new development or as solutions to problems.

4. Threats

Members should write comments about external threats or problems they see that may affect the performance of the co-operative.

Over time the comments written on the SWOT panel will start to develop a profile of how members and customers see the co-operative and what ideas they have on how to improve its performance. Once members have written in the SWOT section it is there for everyone to see; other members may want to comment on what has already been written and if so this is fine and should be encouraged.

The Accounting and Audit team should review the SWOT comments on a quarterly basis and, if necessary, put in place plans to take action where appropriate. It can be useful if the Management Committee writes a very short summary of the comments and what, if any, actions were taken. At the end of each year these short summary reports should be combined and be presented to members at the AGM.

3.3.2 Analysing Community and Environmental Responsibility

The Strong Communities panel provides information on co-operatives' social and environmental responsibilities and how good the Management Committee is in planning and implementing its plans. It will also indicate whether the AGM takes place as is required by law and how members respond.

The SWOT analysis will provide evidence of how members feel about their co-operative and what ideas they have to improve its performance. The SWOT profiles what members think, this information should then be used by the Management Committee to review the past year and plan for the next year.

The SWOT information profiles members' views and ideas, this open approach is an important part of good governance and will also provide the Management Committee and manager with ample information to assist in the forward and strategic planning.

4. Analysis of Information and Reporting of Results

Co-operatives should analyse the recorded data and comments on the poster at regular intervals. Some information is recorded for quarterly periods and the results of this should be analysed and be presented to the Management Committee at their regular meetings. This should help them understand how the co-operative is performing, during the year, and place them in a position to make good decisions on current and future actions.

At the end of each year the Accounting and Audit team should analyse all the findings from the poster and use that information to help review actual progress against the plans.

Over time the poster will show three year trends and will provide critical evidence of how successful the co-operative has been and what can be expected from future plans. This should help the co-operative develop or amend their plans for the next year.

A National Registrar of Co-operatives

A National Registrar of Co-operatives may have a national database; if so the findings from the poster results will be able to feed into the database.

Aggregated results provide useful information about what co-operatives are doing and how good their management planning systems are and their ability to implement plans. Financial analysis can be strengthened by aggregating the results of financial ratios. The SWOT comments and ideas can be analysed to see how the membership views the co-operatives and what ideas they have on improving performance, and on new products and services. To deepen the analysis the information can be categorised for geographical areas, sectors and co-operative size.

4.1 Methods for Analysing Data

The Co-op Accounting and Audit method uses three categories for identifying and recording data; under the headings of: Strong Co-operatives; Strong People; and Strong Communities. This provides three difference data sources and methods of data collection: this can be used to triangulate data.

Triangulation of data means that the results from the analysis will be most reliable. If only one method is used results may be accepted without question; if two methods are used, the results may clash; by using three methods it is likely that consistent and verifiable results can be obtained. Using the results from the Co-op Accounting and Audit poster, under the different headings, you can undertake different types of analysis, as outlined below.

Planned and Actual Analysis

This type of analysis focuses on examining the step by step approach from the plan to the result. It does mean that co-operatives have got to have plans and these plans have got to be clear enough

for management to schedule the activities and state the targets to achieve the plans. If achievement of targets begin to lag behind then action needs to be taken early to get the plan back on track to achieve the result on time and within budget. Alternatively, the final result can be put back to accommodate the delays.



Quantitative Analysis

Quantitative Analysis is used for a direct comparison usually against numerical indicators or benchmarks. Often this is done by calculating a 'before and after' number or percentage in relation to a benchmark and/or baseline figure. Planned and actual targets are quantitatively analysed to measure achievement of the commercial, social environmental plans.

Ratio Analysis

Ratio Analysis is used to compare relationship between two figures to arrive at a percentage which can be used to compare, say net profit this year with net profit last year irrespective of the actual income and expenditure for the period. Different types of ratio analysis can be used to assess liquidity of current assets/current liabilities or profit margin for a sector average against an individual co-operative.

Qualitative Analysis

Qualitative Analysis is used when the finer details of experience need to be described. Questions are used to obtain comments, ideas and attitudes on set topics. Responses are then categorised in relation to the topic so that comparisons can be made. The SWOT provides qualitative analysis. A Qualitative Question Grid (as below) can be used to capture the information from the SWOT statements members have written on the poster. Categorise and list the responses, and use quotes to illustrate the points made; then make conclusions about each category out of the many statements and how these categories compare with each other.

Qualitative Question: What do members think about how the co-operative functions?		
Opinions	Quotes	Findings
Write down and categorise, from the SWOT, key statements, ideas or feelings relevant to the question.	Provide one or two actual quotes to describe the opinions, if suitable.	Make your conclusions about specific Opinion points and write them as Findings.

This should be done for comments that have been made a number of times, not necessarily for every comment. So decide which are the most common statements and opinions and use these to report on the SWOT findings.

4.2 Reporting

Reporting results from the poster will take place both on the poster and in separate short reports. The key to good reporting is to keep reports short, focused and relevant. The poster itself will act as a report when filling in the planned and actual, quarterly reviews will can provide reports and annual audit will also report on achievements. How a co-operative decides which ones to use will depend on the how involved the membership is in trading with the co-operative and how the AGMs are managed.

- Members will be able to see the planned and actual results as they are recorded on the poster in the quarterly target boxes. This will include information on planned targets, savings and loans deposits, comments and ideas from the SWOT, the commercial, social and environmental plans.
- The Accounting and Audit team should discuss the findings from the poster on a quarterly basis.
- The manager should report the information to the Management Committee.
- The Management Committee should discuss the interim quarterly findings and if necessary take action to deal with any identified problems. The responses from the SWOT might identify problems or solutions that the committee can immediately act upon and put into action using the 'Plans from the SWOT' planning grid in the poster, otherwise they will need to be included in next year's annual plans.
- Once the accounts have been audited officers from the National Registrar of Co-operatives should write the final figures, plus the financial ratios, for the current year on the poster. They may also assist the co-operative in reviewing and drawing up next years' business plans.
- The poster should stay with the co-operative as they will use it for their own purposes, a new blank poster should be given to each co-operative in time for them to prepare the plans for the next year.
- The Management Committee should report the information to members at the AGM. Members should be allocated an agenda item to discuss the findings and how they should deal with them. The AGM should be held soon after the audited accounts and the poster has been completed. It is important that the plans for the next year are discussed at the AGM and agreed by members before they are written up on the poster for the next year.

The report will be the final entries on the Co-op Accounting and Audit poster; it will comprise the final quarters' actual statement against the planned statement, financial information from the financial audit and the ratio calculations, and the comments made by members in the SWOT framework.

This will all be written on the poster that can be left on the wall for a set period of time, say one month, and or the information can be copied to a short document and written up as a report for wider circulation. See Annex 2. However the annual audit is finalised it is essential that a copy of it is kept at the co-operative office for at least three years.

Annex 1. The Triple Bottom Line

The triple bottom line describes the three dimensions against which organisations with social objectives, such as social enterprises, community enterprises, community interest companies (CICs) and co-operatives are measured and which frame the way their results are reported.

Traditionally, organisations have been measured in terms of financial performance; did they generate sufficient income to cover all costs and make a profit? This is purely a measure of the amount of money invested and the amount of return generated by that investment. This is described as financial return on investment.

In co-operatives the investment is described more widely: by the financial, social and environmental inputs and they are consequently measured in terms of their financial, social and environmental returns on those investments; the triple bottom line.

The achievement of the triple bottom line is predicated on 'sustainability': economic performance is used to measure financial viability (making an annual trading profit); the level of social wellbeing created through the co-operatives operations is used to measure social wealth; and the support to the natural and built environment and community is used to measure the responsible behaviour of a co-operative in relation to local environment.

There are no common units of cost and benefit for measuring the three dimensions of sustainability, the easiest way is to measure against plans. This is realistic in co-operatives because the plans are developed by members who are the people who work and trade with the co-operative and live in the local communities around where the co-operative is located. They are the people most affected by the operations of the co-operative and therefore have the most interest in its good behaviour and governance.

Using plans developed democratically by the membership means that all three dimensions of the triple bottom line are likely to be designed in the best interests of the co-operative, local people and their communities.

The reporting on the triple bottom line is undertaken by measuring the activities carried out by the co-operative in order to achieve their plans, the outputs generated from the completion of the plans, and the benefit experienced by people of the impact of the plans' achievements.

Financial Viability

Financial viability creates independence and membership control, provides employment and generates profit which is distribution to members who in turn spend the money locally and enhance the multiplier effect and consequently the local economy.

Financial investment may include cash, financial credit, assets, liabilities and other definable resources. The return on these investments can be measured using normal financial accounting and audit methods which then will report on income and expenditure, net profit and profit distribution, and determine the net worth of a co-operative.

Accounting will inform on the administrative accounts, the monthly balances of income and expenditure, and how well the cashflow is being managed.

Audit will inform on the financial strength of the co-operative, its profitability, its willingness to invest in maintenance and expansion, the amount of dividend received by members, its ability to pay invoices on time, and the risk of raising finance, if required.

Knowing about the financial viability of a co-operative will enable management to plan and control the co-operative operations and if necessary raise finance to provide investment. Members and employees will also benefit from knowing and understanding their financial security and how they as individuals can plan for their families' futures.

Social Wealth

Social wealth creates the foundation for people to have access to resources and knowledge, organise together for mutual aid, learn new skills, and have the connections to work with other groups of people and communities. This may also include access to education and training for members to learn about environmental and community improvements.

Social wealth is a measure of how people work and connect together, their standard of living and security, their access to opportunities for personal advancement, and people and families living in the community affected by the operations of the co-operative. Social wealth is also generated by not being exploited or endangered by the operations of the co-operative.

Accounting will show how social benefits are planned and progress is recorded and through the use of the SWOT offer members and customers the opportunity to express their personal views on a co-operative's' performance.

Audit will report on the achievement of planned benefits, and if the benefits have been received and utilised, and what positive impact was made.

Community and Environmental Responsibility

Community and environmental responsibility is when the co-operative provides resources and or puts in place actions to improve the physical and natural environment in their local operations and communities. It is the responsibility of all people and all organisations to take positive action to reduce their negative environmental impact.

Community and environmental responsibility means that the co-operative takes measures to reduce waste, recycle materials and invest in non-polluting transport, energy, and water use. Financial investment in renewable energy, low impact packaging, etc. is also a measure of community and environmental responsibility.

The provision of financial donations such as grants to schools, local health facilities, etc. and support to community initiatives in pursuit of environmental improvements is also an indicator of the level of community and environmental benefit derived from the co-operative.

A co-operative may also design in support for communities through its strategic planning and use its own resources and operational actions to generate environmental good practice.

Accounting will measure progress against the plans, for both internal reduction of waste and use of renewable resources as well as support for external projects and local actions.

Audit determines the annual results of the actions taken by the co-operative: this may, depending on the actions, show a (reduction) in waste, costs, and use of natural resources, or an (increase) in the amount of funds used to support communities and in investment in less polluting ways of operating.

Annex 2. Co-op Accounting and Audit Document

If it is not feasible to use the poster for recording and analysing the results of the Co-op Accounting and Audit method then using the same information in the same layout can be used as a short working document instead. Alternatively, if a co-operative and its members have the means the poster information can be displayed on an interactive monitor either physically attached to a wall like a poster or using online computing so members can view and be interactive with the poster from their own computers or smartphones. Below the information described in the poster is set out in a document format, this can be copied to a computer or hand written.

Where we have, for example, put in two planned and actual rows in the Commercial Plans the co-operative can put in as many rows as they have plans.

Factual Information

Name of Co-operative:

Location:

Sector:

Number of Members:

Number of Employees: Part time.....Full time.....

Date Started:

Value of Total Assets:

Strong Co-operatives

Commercial Plans for the year	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				

Financial Performance:

Has the financial audit for the year been completed? Yes.....No.....

Financial Ratios:	Year	Year	This year
Annual Turnover:			
Net Profit/Loss:			
Liquidity Ratio:			

Current Assets/Current Liabilities			
Current Assets- stock /Current Liabilities			
Profitability Ratios:			
Gross Profit Margin			
Net Profit Margin			
Solvency Ratios:			
Total Debt/Total Assets			

Profit Distributed:

Profit Distribution	Year		Year		This year	
	\$	%	\$	%	\$	%
No of members receiving dividends						
Average dividend received by members	\$	%	\$	%	\$	%
Amount paid to the Reserve Fund	\$	%	\$	%	\$	%
Interest paid to shareholders	\$	%	\$	%	\$	%
Amount paid for social donations	\$	%	\$	%	\$	%
Totals	\$	%	\$	%	\$	%

Date:

Opening Balance of Members: Total Savings \$.....Total Loans \$.....

Savings and Loan:

Savings and Loans	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Members' total savings	\$	\$	\$	\$
Members' total loans	\$	\$	\$	\$
Loans/Savings	%	%	%	%
Categories of loan use:				
For business	No. of members:			
For domestic purchases	No. of members:			
School fees	No. of members:			
To buy assets	No. of members:			
To pay for commemorations	No. of members:			

Strong People

Members:	Year		Year		This year	

No. of members	m	w	m	w	m	w
Members who received dividends	No.	%	No	%	No	%
Total share value of members	\$		\$		\$	

Training for members	.....	.....	.....
No. of courses/events attended by members			
No. of members who attended courses/events			

Employees	.....	.....	.....
No. of employees full time			
No. of employees part time			
No of employees who attended courses/events			

Committee Members	.....	.....	.....
Total number of members who have served on the management committee	No	%	No	%
No of Committee Meetings held				

No. of advisory visits	Last year	This year		No. Planned/No. Actioned
		
By National Co-op staff				
By other/NGO staff				

Strong Communities

AGM – Planned for.....Action by.....

Business Plan – Planned for.....Action by.....

Social Plans:	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				

Environmental Plans	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				

SWOT Plans:	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Planned 1:				
Action 1:				
Planned 2:				
Action 2:				

SWOT Analysis:

If the poster is not used then the exercise of members writing their comments and ideas in a SWOT will have to be undertaken either as a workshop exercise or as a questionnaire that members are asked to fill in once a year.

It is recommended, however, that this exercise is undertaken at least once a year as a way of getting feedback from members and to engage with members for them to feel more involved in the co-operative.

SWOT: What Members Think				
How is the Co-operative performing?				
AREA	STRENGTHS	WEAKNESSES	THREATS	OPPORTUNITIES
ETC.				