

[CDA, July 29, 1992]

**GUIDELINES FOR THE EXERCISE OF THE RIGHTS OF INSPECTION
AND EXAMINATION OF COOPERATIVES BY COOPERATIVE
DEVELOPMENT AUTHORITY**

Pursuant to Article 53 of the Cooperative Code, the Authority hereby promulgates these guidelines to govern the inspection and examination of the CDA hereinafter referred to as the Authority.

SECTION 1. Visitorial Power, Defined — Visitorial power shall refer to the inherent power of the Authority to inspect and examine the books and other documents the cooperatives are required to keep as mandated by Article 53 of the Cooperative Code of the Philippines; Provided, however, that representatives of the Authority are also authorized to conduct routine visits to cooperatives from time to time in order to check on the viability, growth and on-going projects of the cooperative.

SECTION 2. Exercise of Visitorial Power by the Authority — (a) The Authority shall exercise such visitorial power on the cooperative through its duly authorized personnel, hereinafter referred to as the "representative".

b. The representative shall have the following documents with him whenever a visit is conducted:

1. A special order instructing him to conduct the visit; and
2. A letter addressed to the Board of Directors, and manager of the cooperative informing them of the visit.

SECTION 3. Contents of the Special Order — The special order shall state the full name and position of the representative, the name and address of the cooperative, and the reasons for the visit. It shall be signed either by a member of the Board of Administrators, the Executive Director, the Director of the Legal and Registration Department for the Central Office, area director for the extension office or in his absence his OIC.

SECTION 4. Contents of the Letter — The letter shall state the actual purpose of the visit, the name and position of the representative authorized to undertake the visit, and a statement to make the books and other documents of the cooperative available to the representative.

SECTION 5. Visit, When Conducted — An annual visit to a cooperative may be made not more than once a year by such representative of the Authority; Provided, however, That if the cooperative, its officers and members are parties to a petition or complaint filed with the Authority, a special visit may be conducted to ascertain the true facts of the controversy.